

TESTIMONY REGARDING SB 96 An Act to Amend Title 7 of the Delaware Code Relating to the Department Of Natural Resources And Environmental Control (DNREC) Authority to adopt rules and regulations that limit the sale of fuel-powered light duty vehicles

**Senate Environment, Energy, & Transportation Committee
on Wednesday, June 7, 2023, at 1:00 PM**

Dear Chair Hansen, Vice Chair Huxtable, and Members of the Committees:

Thank you for the opportunity to provide testimony on SB 96 regarding Delaware's Department of Natural Resources and Environmental Control's (DNREC) authority to adopt rules and regulations that limit the sale of fuel-powered light-duty vehicles.

Tesla strongly supports the DNREC's authority and efforts to reduce transportation emissions via the adoption of the California Air Resources Board Advanced (CARB) Clean Cars II regulation, and therefore strongly cautions against the passage of SB 96.

Tesla's mission is to accelerate the world's transition to sustainable energy and transportation. One way Tesla does this is through the development and adoption of strong state vehicle NOx, GHG emissions performance standards and ZEV standards for light to heavy-duty vehicles. For many years, these standards have helped drive investment in electric vehicle manufacturing and technology because those performance standards incentivize manufacturing vehicles with zero tailpipe emissions and provide a mechanism by which vehicle manufacturers that deploy innovative technologies and out-perform the standards are rewarded as they can earn and sell tradeable compliance credits.¹

To that end, the Advanced Clean Cars II (ACCI) rules provide future protections to Delaware's air pollution mitigation strategy that ensure pollution reduction, increased deployment of emission reduction technology, and facilitation of increased investment for the portion of the motor vehicle sector that needs it most, by fostering technological innovation in ZEV manufacturing.

Tesla supports DNREC's authority to adopt ACC II policy and other transmission emissions policies in Delaware for the following reasons:

ACC II regulations fall squarely within DNREC's authority and are practical.

7 Del. C. Chapter 60 §6010 © expressly conveys the authority on DNREC to "formulate, amend, adopt and implement, after public hearing, a statewide air resources management plan to achieve the purpose

¹ See, e.g., Virginia McConnell, Benjamin Leard & Fred Kardos, Resources for the Future, [California's Evolving Zero Emission Vehicle Program: Pulling New Technology into the Market](#) at 22-31 (Nov. 2019). (California state Zero Emissions Vehicle credit banking and trading).

of this chapter and comply with applicable federal laws and regulations.” Under this authority, Delaware adopted CARB’s emission standards under Section 177 of the Clean Air Act in lieu of federal requirements. In addition, Section 177 of the Clean Air Act requires Delaware standards to be identical to California standards.²

ACC II is practical in that it is a standard for manufacturers, not consumers. It signals to market leaders that Delaware takes emissions reduction seriously, and places the burden on large corporations, not the people of Delaware, to find practical solutions to reduce transportation emissions. ACC II does not dictate consumer choice, it does require manufacturers, however, to provide cleaner ZEV vehicle options to the new vehicle market in larger quantities.

Transportation emissions reductions should be top priority for DE, especially from passenger and light-duty vehicles.

The American Lung Association (ALA) supports the transition to zero emission technologies, which is highlighted in many reports they have published over the years including one in 2016³ detailing the benefits of Zero Emission Vehicles. As the organization said, “this transition is vital to meeting clean air and climate change targets to protect public health.”

As shown in the October 13, 2022, stakeholder meeting presentation by the Delaware Department of Natural Resources and Environmental Control, in 2017, the transportation sector accounted for 75% of Delaware’s Nox emissions.⁴ Further, in 2018, passenger cars and light-duty trucks represented 60% of Delaware’s GHG emissions from transportation.⁵

Air pollution is estimated to cause over 200,000 premature deaths in the U.S. each year; with more than half caused by transportation emissions.⁶ Recent findings indicate that the U.S. health care costs from air pollution and climate change exceed \$800 billion per year.⁷ These negative effects of air pollution disproportionately harm the most vulnerable populations, including children, the elderly, and residents in low-income and disadvantaged communities.⁸ Indeed, two-thirds of Americans who live near high-volume roads are people of color and the median household income in these communities is roughly 20% below the national average.⁹ Repeatedly, peer reviewed, government and inter-governmental

² <https://www.law.cornell.edu/uscode/text/42/7507>

³ <https://www.lung.org/local-content/california/documents/2016zeroemissions.pdf>

⁴ See slide 8, <https://documents.dnrec.delaware.gov/Admin/Hearings/2022-R-A-0011/Exhibits/Stakeholder-Meetings/20221013/Presentation.pdf>

⁵ Ibid. See Slide 14.

⁶ Atmospheric Environment, [Air pollution and early deaths in the United States. Part I: Quantifying the impact of major sectors in 2005](#) (Nov. 2013); See also, PNAS, [Fine-scale damage estimates of particulate matter air pollution reveal opportunities for location-specific mitigation of emissions](#) (April 8, 2019) (Over 100,000 premature death just from PM 2.5).

⁷ Medical Society Consortium, [The Costs of Inaction: The Economic Burden of Fossil Fuels and Climate Change on Health in the United States](#) (May 20, 2021).

⁸ U.N. Environmental Programme, [Young and old, air pollution affects the most vulnerable](#) (Oct. 16, 2018).

⁹ Union of Concerned Scientists, [Delivering Opportunity: How Electric Buses and Trucks Can Create Jobs and Improve Public Health in California](#), (Oct. 11, 2016), at 10.

studies point toward electrification as key to addressing criteria air pollutants, improving air quality, and lowering the risk of respiratory illness.¹⁰

The ALA recently estimated that wide-spread transportation electrification across the United States translates into \$72 billion in avoided adverse health effects. Electrification would save approximately 6,300 lives per year and avoid more than 93,000 asthma attacks, and 416,000 lost workdays annually due to significant reductions in transportation-related pollution.¹¹ Other studies have found dramatic localized air quality and public health benefits will result for electrifying the heavy-duty fleet.¹²

EV charging infrastructure is expanding rapidly, fueled by private and public funding to meet the needs of tomorrow's EV drivers.

The bipartisan infrastructure and investment and jobs act invests \$7.5 billion to build out the first-ever national network of EV chargers.¹³ Delaware's share is expected to be \$18 million over five years to support the expansion of an EV charging network in the state. Additionally, in 2022, Electrify America received a \$450M investment and Blackrock, and Daimler Truck and NextEra Energy Resources recently announced a \$650M investment in US charging infrastructure.¹⁴ The International Energy Agency, in its 2022 Trends in Charging Infrastructure reported that "the United States counts about 22,000 fast chargers, of which nearly 60% are Tesla superchargers."¹⁵ Tesla also plans to double the size of our Supercharging network in the next 18-24 months.¹⁶ Other automakers, such as Volvo, GM and others are following in Tesla's footsteps and entering into EV charging partnerships and investments as well.¹⁷

¹⁰ See e.g., International Panel on Climate Change (IPCC), [AR 6 Climate Change 2022: Impacts, Adaptation and Vulnerability](#) (Feb. 28, 2022) at 7-120; USGCRP, [National Climate Assessment 4, Volume II, Chapter 29](#) at Box 29.2 (In transportation, for example, switching away from petroleum to potentially lower GHG fuels, such as electricity and hydrogen, is projected to reduce local air pollution. In California, drastic GHG emissions reductions have been estimated to substantially improve air quality and reduce local particulate matter emissions associated with freight transport that disproportionately impact disadvantaged communities").

¹¹ American Lung Assoc., [The Road to Clean Air Benefits of a Nationwide Transition to Electric Vehicles](#) (Mar. 31, 2022) at 5-6. See also, ZETA, [Medium- and Heavy Duty Electrification: Weighing the Opportunities and Barriers to Zero Emission Fleets](#) (Jan. 26, 2022) at 8-9.

¹² See, Texas A&M, [Tailpipe Emission Benefits of Medium- and Heavy-Duty Truck Electrification in Houston, TX](#) (Apr. 14, 2021) (Finding that by electrifying 40% of the predominantly diesel-fueled MHDVs in the eight-county area, Texans could avoid 21 tons per day of NOx — over a quarter of the 80 tons per day emitted by greater Houston's on-road traffic. This could be achieved by electrifying a little over 60,000 MHDVs, about 1% of all the vehicles in greater Houston. By comparison, it would take 3.8 million light duty vehicles to achieve the same amount of NOx reductions. Electrification of MHDVs is the quickest way to take the biggest bite out of greater Houston's NOx emissions.)

¹³ <https://www.whitehouse.gov/briefing-room/statements-releases/2021/08/02/updated-fact-sheet-bipartisan-infrastructure-investment-and-jobs-act/>

¹⁴ [https://www.bloomberg.com/news/articles/2022-08-16/car-charging-investment-soars-driven-by-ev-growth-and-government-](https://www.bloomberg.com/news/articles/2022-08-16/car-charging-investment-soars-driven-by-ev-growth-and-government-funds?cmpid=BBD081622_hyperdrive&utm_medium=email&utm_source=newsletter&utm_term=220816&utm_campaign=hyperdrive#xj4y7vzkg&leadSource=uverify%20wall)

[funds?cmpid=BBD081622_hyperdrive&utm_medium=email&utm_source=newsletter&utm_term=220816&utm_campaign=hyperdrive#xj4y7vzkg&leadSource=uverify%20wall](https://www.bloomberg.com/news/articles/2022-08-16/car-charging-investment-soars-driven-by-ev-growth-and-government-funds?cmpid=BBD081622_hyperdrive&utm_medium=email&utm_source=newsletter&utm_term=220816&utm_campaign=hyperdrive#xj4y7vzkg&leadSource=uverify%20wall)

¹⁵ <https://www.iea.org/reports/global-ev-outlook-2022/trends-in-charging-infrastructure>

¹⁶ <https://techcrunch.com/2023/02/15/tesla-agrees-to-double-supercharger-network-open-to-all-evs-under-bidens-7-5b-charging-plan/>

¹⁷ <https://www.eenews.net/articles/how-carmakers-are-crafting-the-ev-charging-experience/>

Recently, Ford announced that it will integrate Tesla's North American Charging Standard (NACS) connector into its future electric vehicles, which opens up all of Tesla's fast charging infrastructure to future Ford owners.¹⁸

In a supply-constrained world, a stringent ZEV standard will result in greater vehicle availability, lower ZEV costs and higher adoption.

Increased ZEV adoption creates a virtuous cycle of investments in the ZEV ecosystem, including in ZEV charging and service infrastructure and supporting industries. For example, the more Evs there are on the roads, the greater demand for charging infrastructure, which drives increased investment from charging providers. Companies employ electricians to install charging stations and technicians to service Evs, reducing range anxiety and increasing serviceability for these products, which results in higher adoption. These investments help transition the workforce to high-growth clean technology industries, which allows communities to participate in economic growth while providing local health and environmental benefits.

For all of the foregoing reasons, Tesla strongly advises against the passage of SB 96, and keeping DNREC's rulemaking authority as granted under the law.

Thank you for the opportunity to submit this testimony.

Sincerely,

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Tesla

¹⁸ <https://electrek.co/2023/05/25/ford-will-add-tesla-plug-to-its-electric-vehicles-in-surprising-move/>