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July 21, 2022

Liane Randolph
Chair, California Air Resources Board
1001 I Street
Sacramento, CA 95814

Re: Opposition to the Proposed Advanced Clean Cars Regulation

Dear Ms. Randolph:

On behalf of the Specialty Equipment Market Association (SEMA), we appreciate the opportunity to comment on the California Air Resources Board's (CARB) proposed Advanced Clean Cars II (ACC II) regulations. Representing the \$50 billion specialty automotive industry, SEMA is a trade association based in Diamond Bar, CA made up of approximately 7,500 mostly small businesses nationwide, including over 1,500 in California, that manufacture, market and sell specialty automotive aftermarket products. SEMA is concerned that the proposed regulations, mandating that all new vehicle sales in California be zero-emission starting in 2035, will have devastating effects on our industry and on California businesses and our state's economy.

Primarily, SEMA believes that Californians should not be directed towards a specific technology, but rather be allowed to choose the type of vehicle technology that best serves them, acknowledging that any future ICEVs sold in California will have the most stringent emissions standards in the country. This sentiment is amplified by the need to set a technology-neutral performance standard rather than a technology mandate based on a series of hypotheticals as currently proposed in the ACC II regulation. As noted in the letter submitted by the Western States Petroleum Association (WSPA), et al., the ACC II does not adequately consider the life cycle emissions of vehicles and fuels to ensure that sufficient greenhouse gas (GHG) emissions reductions are achieved by the light-duty transportation sector. WSPA commissioned a study (Ramboll) showing that the vehicle life-cycle emissions for a model year 2026 BEV could be significantly higher than an ICEV meeting 2026 emissions standards. SEMA believes that, before this regulation is adopted, further analysis of the full emissions impacts of BEVs should be analyzed and reviewed by CARB to determine if, when factoring upstream and downstream emissions impacts, BEVs have less of an emissions impact than ICEVs.

Additionally, SEMA is concerned about the impacts to California businesses. SEMA member companies, many of which manufacture products compliant with CARB emissions standards for ICEVs, have a significant presence in California, employing thousands of workers across the state. CARB's impact analysis for the ACC II notes job losses in the tens of thousands and economic impacts in the billions because of the mandated shift to ZEVs. Many of these impacts will be felt in our industry as companies may look to move out of state to places with stronger markets for their products or reduce staff in order to adapt to the ACC II. SEMA is emphatic with its

members that compliance with California's air quality standards is paramount and has made enormous investments in the SEMA Emissions Compliance Center to ensure compliance from our member companies. However, we cannot emphasize enough that these small businesses are part of the backbone of the California economy and many of these businesses will be impacted by these decisions being made far from our members' factories, garages, and stores.

Moreover, the speed with which California is moving towards BEVs does not match the reliability of California's electrical grid, which is expected to supply the power necessary to charge the proposed wave of BEVs. California's electricity grid has numerous challenges when faced with extreme weather, often failing to meet consumer demand. Bringing millions of BEVs into the California marketplace before the power supply is fully developed could prove disastrous for the adoption of the technology. If people cannot reliably power their vehicles, their daily lives will be adversely affected.

We respectfully request that you do not approve the ACC II and instead continue to allow for a market-driven response to meet California's air quality standards. Please feel free to contact me should you wish to discuss this further.

Sincerely,

A handwritten signature in black ink, appearing to read 'Peter Treydte', with a long horizontal flourish extending to the right.

Peter Treydte
Director of Emissions Compliance
Specialty Equipment Market Association (SEMA)