



LAURENTIAN
Chamber of Commerce

CONNECTING COMMUNITIES AND MOVING BUSINESS FORWARD.

RECEIVED

By: OAH on 3/1/2021

✉ 704 6th Ave North, Suite B
Virginia, MN 55792

☎ **218.741.2717**
📠 218.749.4913

🌐 LaurentianChamber.org

February 25, 2021

Attention: Ms. Denise Collins
Office of Administrative Hearings
PO Box 64629
St. Paul, Minnesota 55164-0620

Ms. Collins:

Thank you for the opportunity to comment on the proposed Clean Cars mandate.

This policy is an unreasonable ask for Minnesotans due to the considerable price increase it will cause for consumers. According to the MPCA, this policy will increase the prices of all new vehicles by an average of \$1,100. It is unreasonable for the state to artificially raise prices on Minnesotans while we are in the midst of a pandemic and many are struggling to pay for basic necessities.

While increasing the price of all vehicles, this policy would also reduce purchasing options for consumers looking for a new vehicles – specifically a new truck or SUV, since those vehicles would need to meet California emissions standards. Minnesota Consumers would no longer be able to buy vehicles that dealers “dealer swap” with surrounding states which are not so-called “California States.” Even as the Federal Standards and the California Standards come closer together, it is likely the unknown future California Standards would be even more stringent if history is our guide.

Secondly, this policy is unnecessary for Minnesota. In our area we enjoy some of the cleanest air in the country. We love to hunt, fish and play in the great outdoors and our air is clean. It is no secret that California has terrible air quality and has for decades. California has 148 areas of non-attainment by Federal Ambient Air standards. In contrast, Minnesota has zero areas on non-attainment. Governor Walz is attempting to solve an issue Minnesota does not have and is bypassing the legislature to do so. This policy is unreasonable and we oppose it being enacted via the bureaucratic process.

Minnesotans should be able to choose how their cars are regulated through our system of representative democracy. Our governor is Tim Walz, but he isn't the only official we elected. In our region we also elected Dave Lislegard and Dave Tomassoni to serve in the Minnesota legislature. If it is the will of the people of Minnesota that we adopt California's clean air standards, then the legislature should vote to adopt them. I suspect the only reason Governor Walz is using this process to implement



LAURENTIAN

Chamber of Commerce

CONNECTING COMMUNITIES AND MOVING BUSINESS FORWARD.

✉ 704 6th Ave North, Suite B
Virginia, MN 55792

☎ **218.741.2717**
📠 218.749.4913

🌐 LaurentianChamber.org

the standards is because he knows the people of Minnesota do not support the mandate and the legislature would never approve the mandate.

We live in a time of mandates relating to COVID-19. We might not like them, but I think most of us agree that at least some of them are necessary to protect the health and safety of Minnesotans. This California cars mandate is not like COVID-19. It is not an emergency. We have time to figure it out and we should do that using the normal legislative process.

If we choose not to burden Minnesota with this mandate no one is negatively impacted. Those who want electric vehicles can still buy them. Those who don't want EVs are not forced to buy them and no ones costs will be artificially increased. We should be given the right to choose what sort of vehicle we purchase. Despite what many in the metro seem to think, we aren't ignorant people in rural Minnesota. If electric vehicles and low emission vehicles are better options for us than are standard vehicles, we will buy them. Technology is advancing, but the market is showing it isn't quite there yet. Why are we penalizing Minnesotans now when we could simply wait until the marketplace makes efficient vehicles the better choice for Minnesotans?

I appreciate the opportunity to offer comments on the proposed Clean Car mandate and hope my comments are taken into consideration.

Thank you,

Thank you,

Erik Holmstrom
President & CEO
Laurentian Chamber of Commerce

Feb. 26, 2021

RCVD OAH '21 MAR 1

To: Minnesota Administrative Law Judge Jessica Palmer-Denig

Subject: OAH Docket #71-9003-36416 Proposed Rules Adopting Vehicle Greenhouse Gas Emissions Standards—Clean Cars Minnesota, Minnesota Rules, chapter 7023; Revisor's ID Number 04626 - Speaking in support of this Rulemaking based on both the Need and Reasonableness of the Rule

It's widely acknowledged that Minnesota's transportation sector is presently responsible for the greatest percentage of our state's greenhouse-gas emissions. After years of procrastination by regulators and elected officials, the Minnesota Pollution Control Agency recently announced rulemaking to address this problem.

For consumers the goal, simple and straightforward, is to require automakers to supply dealerships with low-emission vehicles (LEV), hybrids (HEV), plug-in electric hybrids (PHEV), and fully electric vehicles that have zero emissions (ZEV). Nobody's "required" to buy one of these vehicles, but it's a known fact that states with clean-car standards receive preferential treatment by manufacturers in the delivery of both LEV and ZEV light-duty transportation. Thus, consumers like myself would be afforded wider selections and greater numbers of these vehicles at these states' dealerships.

A 2019 Consumer Reports survey found that 66% of prospective buyers want more electric-vehicle options. My family has owned and loved two plug-in hybrid sedans, a 2017 Toyota Prius Prime and a 2021 Prius Prime. So, last June, I ordered a new plug-in hybrid SUV, a Toyota RAV4 Prime. I was told when I ordered my vehicle that for this model year, Minnesota might receive just one or two of these SUV's. Why? The salesman said it's because most deliveries are destined to states with existing clean-car standards. Minnesota's adoption of the proposed clean car rule would level the field for Minnesota vehicle buyers, and give them more vehicle options and increased availability. So, for the past eight-months I've patiently awaiting the arrival of my vehicle.

Some who object to the new rule point at the higher purchase cost. In short order, the economies of scale will rectify that, as increased electric-vehicle production results in a lower per-unit price.

By now nearly all major foreign and domestic automobile manufacturers have announced plans to someday transition their lineups to being free of fossil fuels. In late January, GM announced its lineup would be fossil-free by 2035. In Minnesota where pickup trucks are so popular, Ford had previously announced an F-150 pickup that would be a ZEV. Rivian, a Detroit area startup automotive manufacturer, is planning to focus on building ZEV pickup trucks. And of course, one of the fastest growing EV manufacturers is Tesla, who has sedans in production, along with pickups and SUVs in the pipeline.

Auto manufacturers recognize the obvious advantages of electric vehicle technology, and clearly see their responsibility in addressing the industry's role in emitting greenhouse gas emissions, and their part in creating our global climate change emergency. As a result, consumers eventually can expect to see increased selections and greater competition among vehicle manufacturers, which historically has resulted in rapidly falling prices. This pattern is visible in the solar industry, cell phones, computers, and other technological advances, with prices sharply declining over time. We are likely to see this begin to manifest itself over the next three to five years.

But for those focusing solely on an electric vehicles' slightly higher purchase price, this argument really distorts the cost of vehicle ownership, particularly with ZEV's. Depending on the many variables — including makes and models, energy types (electric, gasoline or diesel), and fuel costs — we can estimate lifetime fuel costs. That's where all electric vehicles shine, but particularly those ZEVs. As an example, today's electricity costs range from 0.07 cents to 0.13 cents per kilowatt, and gasoline is \$2.50 per gallon. An internal combustion engine (ICE) using a fossil fuel (gasoline or diesel) is going to be about two to three times costlier per mile than an equivalent ZEV. Keep in mind that gas prices vary greatly over time, but wind and sunshine are free. While both fossil fuels and renewable energy both have infrastructure and maintenance costs, only one has free fuel. For this reason, electricity from renewables will always undercut fossil fuels.

Over an eight-year ownership, the driver of an ZEV can anticipate savings of \$5,500 to \$7,500 in fuel costs alone. That cost-savings, plus significant intangible environmental benefits due to a lack of tailpipe emissions, both multiply if you own or subscribe to clean, renewable solar or wind power. These ZEV's are then powered entirely without the use of fossil fuels, meaning zero greenhouse-gas emissions and no other pollutants from tailpipe exhaust.

This results in measurable, significant human health benefits by reducing or eliminating harmful toxic emissions from ICE vehicles, including carbon monoxide (a poisonous gas), nitrogen oxides (contributes to smog and acid rain), sulfur dioxide (a greenhouse gas and contributor to respiratory health problems), hydrocarbons (a stew of emissions that contribute to greenhouse gases and/or are toxic), benzene (a carcinogen), mercury (a powerful neuro-toxin), and other harmful particulates (particulates lead to respiratory issues/cancer/heart disease).

Utilizing locally produced renewable energy also means there's no need to import fossil fuels from other states or countries. This results in both environmental and economic benefits, reducing the heavy footprint of the fossil fuel industry on the environment, and allowing our dollars to stay home and circulate locally, thus putting more Minnesotans to work and stimulating our local economies.

Electric vehicles are also far cheaper to maintain because there's a fraction of the parts compared to an internal combustion engine and drivetrain. Reduced maintenance costs again add to the customer's lifetime of savings. There are no oil changes, no expensive catalytic converters, no muffler systems or tailpipes, and seldom a need to replace parts. For ZEVs, the owner just changes the tires and adds windshield washer fluid. They are simple to maintain.

Using today's technology, the batteries in electric vehicles will eventually have to be replaced. But these batteries typically last 150,000 miles or more, and with a replacement cost of about \$1,000 an electric-vehicle customer still comes out way ahead in cost of ownership. As an example, the battery on my wife's new 2021 Prius Prime comes with a manufacturer warranty of 150,000 miles.

Complaints are occasionally heard from some, that consumers don't want EV's, particularly in rural Minnesota. I live in rural Minnesota, thirteen miles south of Cloquet. If and when I finally receive my RAV4 Prime, with its 42-mile all-electric range, I can go to town and back and never spend a penny on gas, and never emit any exhaust gases. An 80-mile roundtrip drive to Duluth using all electric might even be possible, if I find a phase II or III electric vehicle charger while in town. And when I get home from driving, I can plug the car in and charge it from my solar panels. Except for extended trips, I'll drive without tailpipe emissions, and use 100% clean/green energy to power up again.

Some industry people point to Minnesota's low percentage of EV sales as an example that EVs won't sell well here. In reality, the percent of EV's on Minnesota's roads isn't low because of lack of customer interest, it's because of market conditions the customer can't control. Consumers can't find these units at their dealerships. We can't buy them if they aren't available! Given a decent selection and local market availability, people will buy either an LEV or ZEV that best fits their personal needs.

Some also point out that Minnesota's cold weather decreases EV range. This is true. But it is also true of internal combustion engines (ICE). All vehicles require additional energy in sub-freezing temperatures. This is not a reason to avoid purchasing and using an EV, any more than it is to not purchase an ICE vehicle. In Minnesota, cold weather is a fact of life, and our choice of vehicles should look not at ZEV vs. ICE, but what other factors in ownership and use are in play.

And there are folks, including some of our elected officials, who see this rule as a threat to our way of life and very existence. Their misinformation and inflammatory rhetoric panders to the old and rejects the very future of electric-vehicle technology. It was likely this way when the automobile replaced the horse and buggy.

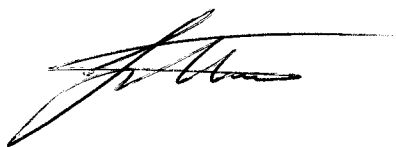
It's been said that it's better to provide statutory financial incentives to encourage consumers to purchase LEV and ZEV technology, shunning the regulatory approach taken in this rulemaking effort. I say we can and should do both. They need not be mutually exclusive. Legislators can create a bill that offers financial incentives. And at the same time, the MPCA can establish rules that limit ICE exhaust emissions that are toxic and contribute

to climate change, while also requiring vehicle manufacturers to supply dealerships with a better selection of LEV and ZEV models for consumers. This results in cleaner air and moves consumers towards better, cleaner, and cheaper transportation opportunities. In this case, the carrot and stick are working together, enabling a more rapid transition to LEV and ZEV ownership.

The change-over to EV technology is inevitable. It's up to Minnesotans to select how we will meet human health concerns and the ever-growing challenges of climate change. Time has long passed when a gradual but steady transition to address climate change has been possible. We have denied, deflected, and procrastinated to the point where only a rapid and abrupt leap to these new technologies can help fend off the worst impacts that climate change threatens to deliver.

The power sector has largely been doing its job by moving more and more to clean, renewable energy. It's time for the transportation sector to do the same. Adoption of this clean-car standard is a must for Minnesota.

Craig Sterle
2676 County Road 104
Barnum, MN 55707
(218) 384-4054
csterle777@gmail.com

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

REC'D OAH '21 MAR 1

Ms. Sheena Denny
Office of Administrative Hearings
600 North Robert Street
St. Paul, Minnesota 55164-0620

Thank you for the opportunity to comment on the proposed Clean Cars mandate.

On behalf of the Winona Area Chamber of Commerce's 450 members, we believe this policy is an unreasonable burden for Minnesota businesses, especially those businesses in border communities, like Winona.

There are several reasons for our opposition. First, the considerable price increase it will cause for consumers should be of concern for the MPCA. Estimates indicate that the prices of *all* new vehicles will increase by an average of \$1,100 per vehicle, according to the MPCA itself.

Second, the primary issue keeping Minnesotans from switching to EV's is not supply, but rather, demand. This policy misguidedly increases the supply of EVs but does nothing to incentivize customers to buy more EV's. Perversely, this policy might increase the cost of all vehicles and not meaningfully increase the number of EV's that customers actually buy.

The "Clean Cars" mandate will also reduce options for consumers – specifically options for new trucks or SUVs, since those vehicles will need to meet California emissions standards. With Minnesota dealers required to carry more EV's than they can sell, there will simply be less room on the lot for vehicles that customers actually want to buy. Further, in communities like Winona, customers will be unable to shop for their vehicles across the Wisconsin border, because Wisconsin is not a "California" state. Similarly, Winona dealers who sell to Wisconsin customers, which happens a lot, will be disadvantaged by the artificially high costs that this mandate will yield, reducing their potential market dramatically. Beyond that, not having the ability to dealer trade across our borders in Wisconsin and Iowa, among all other midwestern states, takes the ability that dealers have to get the customer a vehicle they desire out of their hands. That is immensely limiting and restricting to Minnesota dealers.

Finally, this policy is unnecessary for Minnesota. It is no secret that California has terrible air quality and has for decades. That is why they are able to go further and faster than other states in regulating their own emissions. But Minnesota has no air quality problem. California has 148 areas of non-attainment by Federal Ambient Air standards. In contrast, Minnesota has zero areas of non-attainment. Governor Walz is attempting to solve an issue Minnesota does not have and is bypassing the legislature to do so.

This policy is unreasonable, unnecessary for Minnesota, and our members strongly oppose it.

We appreciate the opportunity to offer comments on the proposed Clean Car Mandate and hope our comments are taken into consideration.

Thank you,



Christie Ransom
President & CEO
Winona Area Chamber of Commerce



WINONA AREA
CHAMBER OF COMMERCE
902 E. SECOND STREET, STE. 120
WINONA, MINNESOTA 55987

SAINT PAUL MN 550
27 FEB 2021 PM 4 L

usps

02/25/2021

US POSTAGE

\$000.51¹⁰



ZIP 55987
011E10671912

Ms. Sheena Denny
Office of Administrative Hearings
600 North Robert Street
St. Paul, MN. 55164-0620

55164-0620

55164-0620