



August 17, 2023

Lynne Cayting, Chief
Mobile Sources Section in the Bureau of Air Quality
Maine Department of Environmental Protection
17 State House Station
Augusta, ME 04333

Rulemaking Comments for Chapter 128, Advanced Clean Trucks Program

Dear Ms. Cayting,

On behalf of the 27 undersigned businesses and groups, representing 20,000 member companies, we offer the following comments on the proposed adoption of Chapter 128 rules.

Collectively, we recognize, understand and agree with the desire to reduce greenhouse gas emissions and air pollutants from on-road vehicles in Maine, which is the stated intent of this rule. Further, we acknowledge that adoption of this rule would impact truck manufacturers by mandating an increasing number of medium and heavy-duty electrified trucks in Maine. The reality, however, is that we have identified serious problems associated with adopting the California Advanced Clean Trucks (ACT) Rule with the aggressive deadlines set forth in the proposed rule.

Many of our comments are similar to the ones expressed in November 2021 when this Rulemaking was first introduced in Maine because our concerns have not been alleviated since then. However, we are pleased with the subsequent stakeholder involvement to better understand and inform the proposed solutions to our climate goals and we commend those who have listened to our reservations.

CHARGING INFRASTRUCTURE & GRID CONCERNS

This proposal would create a substantial increase in electricity demand. Our generation, transmission, and delivery system will require enormous additional investment to support the new charging station infrastructure. We remain concerned that the northeast region (and Maine specifically) is seriously lacking the charging infrastructure that is ready to meet demand; that the existing charging infrastructure will not be robust enough to meet the logistical needs of transporting goods by truck; and that the electrical grid cannot support the desired growth in electric vehicles.

These challenges must be addressed within the same relative timeframes as the ZEV adoption goals included in the rule. It is unclear that utilities, regulators and technology providers will be able to meet the aggressive goals California has implemented that Maine is looking to adopt. We are concerned that the scope of the public and private investment needed to accomplish the desired

outcome have not been fully considered. And any investment plan potentially being deliberated certainly has not been conveyed to business stakeholders to alleviate our concerns.

OPERATIONAL CONCERNS

There are a number of practical concerns that have not been considered. ZEV availability, servicing equipment upgrades, finding/training technicians to maintain and repair them, and hauling hazardous materials with ZEV's are all problematic. Many commercial truck uses, such as truck-mounted cranes, dump bodies, and snow plows, will require an additional power source.

There are also cold weather climate realities where there is an expected 40% range reduction during Maine winters. Seven in ten Maine homes rely on liquid heating fuels that have to be delivered by truck, often in the middle of the night to remote locations, to keep Mainers warm.

MAINE VS. CALIFORNIA

We recognize and understand the purpose of adopting this rule and that it impacts manufacturers to encourage them to sell more medium and heavy-duty (ZEV's). We are not commenting on whether this is a good or bad idea for California because the reality is that the Maine market and the Maine economy are vastly different than that of California. According to the US Bureau of Economic Data, Maine's 2022 GDP was miniscule in comparison – only 2.4% of California's GDP – with Vermont, Rhode Island, Wyoming, North Dakota, South Dakota, Montana, and Alaska's being the only states with a smaller GDP than Maine. We believe that mandating the adoption of California regulations on Maine will hamper Maine's economy, hurt businesses, municipalities and citizens alike.

A quick look at the [California Air Resources Board](#) (CARB) website shows some significant rebates being offered to incentivize commercial ZEV adoption – nothing in the rule before the Maine Board of Environmental Protection (BEP) addresses rebates. Considering adopting a CA standard without the CA incentives makes it destined for failure. According to CARB, there is over [\\$2.6 BILLION](#) in their current Clean Transportation Incentives program alone.

We would make the argument that Maine should only consider adoption of the California regulations if Maine also has the same relative incentives in place.

UNINTENDED CONSEQUENCES

A likely side effect contrary to the goal of improving the environment is that such a mandate, and the resulting equipment selection, will encourage longer vehicle life cycles for trucks currently in operation while ZEV technology and infrastructure catch up to real-world needs. The older the truck, the less emission-reducing technology it will have at a time when the objective is to improve air quality now. **We should be encouraging adoption of more efficient equipment through voluntary adoption incentives, not restrictive mandates.**

Added to the exponentially higher cost of ZEV trucks is the specter of the 12% Federal Excise Tax (FET) being charged on this much higher number, creating a serious investment disincentive. And as

all vehicles get more efficient, the impact on the Highway Fund will be felt and safety must be considered by finding solutions to replace this prospective diminished revenue.

Truck dealers will be required to carry vehicles they cannot sell and these extra costs will have to find their way to the end user in the form of higher prices or less choice when it comes to replacing units in their fleet.

Grid improvements, infrastructure buildout and trucks that cost much more than their diesel counterparts are all undisputed realities when considering ZEV adoption for fleets. These additional investments must be paid for somehow, and it is inevitable that these added costs will be passed on to consumers and/or taxpayers.

SAFETY CONCERNS

Despite the rosy picture from ZEV advocates, fire safety is a real concern. Fire safety policies, education, and training should precede policy implementation.

BATTERY COMPONENT CONCERNS

We must consider the tremendous practical and national security challenges with locating, sourcing, and mining raw materials for battery technology. Recycling of batteries after their useful life is also something to be mindful of as we look at the big picture impacts.

PROCESS CONCERNS

While we understand these rules are considered routine technical, the impact they will have on the supply chain, the impact on the economy, and the fact that future changes to these rules can be done outside of Maine without Maine oversight/approval, are enough to warrant legislative consent through the major substantive rulemaking process.

RECOMMENDATIONS:

ZEV's might be ready for some commercial applications before others and we suggest discussion of a targeted adoption strategy. For instance, vehicles that travel short distances and return to the same location after each shift and those that do not haul heavy loads might be the first adopters of this clean technology. But with truckload, less-than-truckload, bulk hauling, etc., equipment doesn't always end up in the same place after each use because it goes where it is needed to move freight for customers – thus presenting logistical, infrastructure and efficiency optimization problems. Therefore, if a fleet adopts ZEV's, they will only be able to be used in certain circumstances, in certain regions and for specific purposes depending upon the range and recharging infrastructure. There is no way to know whether the arbitrary sales thresholds as presented are too burdensome.

Also, according to the Maine DEP Rulemaking Fact Sheet, only Class 7 and 8 tractor credits can be used to satisfy Class 7 and 8 tractor deficits. The reasoning given was “to reduce emissions at ports and at other areas with high tractor concentrations”. Maine does not have the same high tractor concentrations as are seen at the ports of Long Beach, Los Angeles, and Oakland where charging

facilities and grid upgrades can be focused to accomplish ZEV goals. We would recommend removing this requirement.

We support market-driven choices for voluntary commercial adoption of ZEV's when applications warrant it, not an arbitrary sales threshold that will impact the equipment sold in Maine and available to Maine companies, whether intended or not. For instance, will manufacturers pull back on Maine vehicle availability because they can't meet their targets? And will this mean they will also shrink their service and maintenance offerings as a result? This would be a highway safety concern that we would rather not leave to chance and one that would not need to be a concern if voluntary adoption was pursued instead. After all, if the cost of ZEV ownership is truly as rosy as the picture being painted, then truck owners will flock to the technology once the infrastructure investments have been made and the technology is proven effective.

CONCLUSION:

As was the case during the 2021 Rulemaking process, there are variations of two possible outcomes – the mandate is “successful” and an increasing percentage of commercial vehicle truck sales are ZEV's, or the mandate “fails” and the sales thresholds are not met. In the case of “success”, there is little doubt in anyone's mind that Maine's current electrical grid and charging capacity would be unable to serve the significant number of units in Maine's truck fleet without unfathomable investment, thereby creating further chaos in the supply chain. If the mandate “fails”, manufacturers will have to pay for additional credits to meet the requirements, and those additional costs will have to be passed on to those purchasing all models of their trucks. Again, this would simply create additional chaos in the supply chain as well as an increased expense to consumers as transportation costs increase.

The undersigned Maine business groups and our members stand ready to be proactive forces for change when it comes to making reasonable, economical and realistic environmental progress now and in the future. However, Maine adopting the proposed Chapter 128 rules from California is not the answer. Thank you for considering the concerns of the many employers represented in the list below.

Sincerely,

American Council of Engineering Companies – Maine Chapter
American Council of Engineering Companies of Maine
Aroostook Partnership
Associated General Contractors of Maine
HospitalityMaine
Maine Aggregate Association
Maine Auto Recyclers Association
Maine Automobile Dealers Association
Maine Bankers Association
Maine Better Transportation Association
Maine Beverage Association
Maine Beverage Distributors Association

Maine Energy Marketers Association
Maine Farm Bureau Association
Maine Forest Products Council
Maine Grocers & Food Producers Association
Maine Jobs Council
Maine Motor Transport Association
Maine Municipal Association
Maine Potato Board
Maine State Chamber of Commerce
Maine Tourism Association
Manufacturers Association of Maine
New England Bus Association
Portland Region Chamber of Commerce
Professional Logging Contractors of Maine
Retail Association of Maine
Retail Lumber Dealers Association of Maine