

January 11th, 2017

VIA ELECTRONIC MAIL

Governor's Council on Climate Change Email: deep.climatechange@ct.gov

RE: Comments of the Sierra Club to the Governor's Council on Climate Change

Dear Members of the Governor's Council on Climate Change:

On behalf of the Sierra Club and its more than 8,000 members in Connecticut, thank you for the opportunity to provide comments regarding the meetings of the Governor's Council on Climate Change (GC3) on December 9th and 21st. We understand that a major discussion point of these meetings has centered on what to include in the REMI modeling of electric vehicle deployment when it comes to funding for transportation infrastructure given the projected decline in gas tax revenues. We provided some comments on this point at the end of November¹, and are largely reiterating those points with a few updates. We recommend that the GC3 study multiple mechanisms to increase revenues for transportation funding that will not undermine the overall strategy of deploying electric vehicles at the scale and rate needed to meet the State's climate targets, particularly carbon pricing for the transportation sector and weight-based fees for vehicles. Other methods such as tolling or fees for electric vehicles should not be implemented until electric vehicles have reached sufficient levels of market penetration.

(1) The GC3 Should Explore Mid- and Long-Term Funding Sources for Transportation Infrastructure

Failing to include potential sources of revenue to fund transportation infrastructure in REMI modeling of electric vehicle deployment will leave the GC3 with little helpful information about what may be one of the most important issues to address. While electrification of transportation (coupled with expanded public transit ridership, increased intercity train and bus use, increased carpooling and demand responsive shared-ride services, and promotion of walkable and bikable communities) is absolutely essential to achieving Connecticut's climate goals, as the GC3's REMI modeling to date highlights, a vehicle fleet in Connecticut comprising a large fraction of electric vehicles creates a significant shortfall in fuel tax revenues² as they are presently collected.

However different solutions to this challenge will have varying impacts on the ultimate goal of deploying more electric vehicles. Tolling or greater fees on electric vehicles provide a disincentive to purchase such vehicles, making it more challenging to realize the numerous

¹ http://www.ct.gov/deep/lib/deep/climatechange/gc3/public comments /berman 11 29 16.pdf

² The GC3 presentation indicates that "[a]nnual transportation fuel taxes revenues in reference case fall 41% from 2016 to 2050." CT DEEP, GC3 Meeting November 14, 2016 PowerPoint presentation at Slide 27.

benefits provided by electric vehicles including reduced climate-disrupting pollution. A study commissioned by the Vermont Legislature on this issue and released just last week recognized this fact, recommending no new fees on electric vehicles until a comprehensive transportation revenue solution is enacted, and at a minimum not until electric vehicle sales had reached at least 15% of total annual vehicle sales in the state.³

We strongly urge Connecticut to explore such a comprehensive transportation revenue solution, including pricing carbon in the electric sector as a potential source of revenue to fund investments in electric vehicles and transportation infrastructure to address the projected shortfall, as being studied by the Transportation and Climate Initiative. We further recommend including study of weight-based fees for vehicles as part of that comprehensive solution. Since heavier vehicles contribute disproportionately to the necessary maintenance costs of transportation infrastructure, it may make sense to charge higher fees for heavier weight classes.

There is no doubt that meeting Connecticut climate commitments will require significant change in the state's transportation sector. It is imperative that the GC3 identify and recommend potential comprehensive solutions to fund critical infrastructure that also facilitates expansion of electric vehicles. We therefore urge you to look at the opportunities and impacts of pricing carbon in the transportation sector and initiating weight-based fees for vehicles through the upcoming REMI modeling.

Thank you for your consideration.

Respectfully submitted,

Joshua Berman

Staff Attorney

Sierra Club

Mark Kresowik

Eastern Region Deputy Director

Beyond Coal Campaign

Sierra Club

Jeff Gross

Co-Lead, Electric Vehicles

Connecticut Chapter

Sierra Club

Phil Huerter

Co-Lead, Electric Vehicles

Connecticut Chapter

Sierra Club

³ http://legislature.vermont.gov/assets/Legislative-Reports/2016-Legislative-EV-Study-FINAL-formatted.pdf