MICHIGAN COUNCIL ON CLIMATE SOLUTIONS MEETING
Meeting Minutes

Tuesday, October 19, 2021 – 1:00 to 3:00 p.m.
Virtual Meeting via Microsoft Teams
Find meeting information at Michigan.gov/Climate

Attendees

Niles Annelin
Frank Beaver
Liesl Eichler Clark
Kerry Duggan
Rachel Eubanks
Meghan Groen
James Harrison
Judson Herzer
Brandon Hofmeister
Marnese Jackson
Jonathan Overpeck
Cynthia Render-Williams
Joseph Rivet
Phillip Roos
Dan Scripps
Derrell Slaughter
Jeff Stoutenburg
Samuel Stolper
Ron Voglewede

MEETING GOALS

- Review and discuss recommendations from the Transportation and Mobility Workgroup.

Meeting Notes

- **Welcome, Attendance (Liesl Clark, Director, EGLE)**
  - The meeting commenced at 1:00 p.m.
  - Attendance was taken.
  - Council members received the recommendation text ahead of the meeting and were asked to provide feedback via a survey.

- **Council Business (Liesl Clark, EGLE)**
  - Ron Voglewede moved and Cynthia Render-Williams seconded a motion to approve the agenda. The agenda was approved unanimously by voice vote.
  - Derrell Slaughter moved and Phil Roos seconded a motion to approve minutes from the September 28 council meeting. The minutes were approved unanimously by voice vote.

- Review of the charge to the Council (Executive Order 2020-182) to ground the conversation.
- Arranging a small group discussion on solutions for waste and recycling.

- **Overview by Workgroup Co-Chairs (Charles Griffith and Judd Herzer)**
  - Michigan's transportation sector is the leading source of Greenhouse Gas (GHG) emissions
    - Mainly from light-duty vehicles, but medium and heavy-duty is growing
  - To stay below a 1.5-degree temperature rise, U.S. transportation emissions must decrease 45% by 2030
    - 2 million light-duty electric vehicles (EVs) needed by 2030 to reach emissions reduction goals
  - Process:
    - Seven stakeholder meetings featuring presentations from regional and national speakers
    - Worked in subgroups to develop recommendations
      - Electrification and low-carbon fuels
      - Vehicle-miles traveled reduction and shared mobility
    - Workgroup member feedback was incorporated as the co-chairs finalized the recommendations
    - Unique group with a wide range of perspectives
  - Top 5 Recommendations:
    - Establish a comprehensive transportation electrification plan
      - Focuses on the equitable deployment of charging infrastructure
      - Develop a workforce transition plan for the automaker sector
      - Multi-agency effort
      - Significant stakeholder opportunities
    - Establish electric vehicle purchase incentives
      - Close the premium purchase gap for EVs
      - Additionally, incentives for dealers
      - Extending incentives to used EVs
    - Adopt a Michigan Clean Fuels Standard
      - Would create a revenue source which could be invested in public transportation, charging infrastructure, or other activities
      - Need proper consideration of carbon intensity values and equity
      - The policy should incorporate safeguards such as not compromising productive land
    - Develop GHG budgets for transportation plans
      - Will help dictate how projects get prioritized
    - Expand access to convenient, zero-emission public transit

        - Expand access to convenient, zero-emission public transit
        - A comprehensive electrification plan will ensure equitable benefits
        - EV incentives, particularly for historically underserved communities
        - Cleaner fuels can improve air quality
    - Key themes:
        - Not just light duty vehicles
        - No silver bullet
        - Need for state-based strategies

- **Council Discussion of Recommendations**
    - Recommendation 1: Transportation Electrification Plan
        - Most said they could support it as written or need some small tweaks
        - Some comments on making this more actionable
            - A report found that states who started with a solid plan were more successful in their electrification efforts
            - Along with a plan, we should have some big, ambitious goals defined.
                - There are some goals laid out in this recommendation
                - Important to have targets embedded in the plan
            - Without a cohesive strategy for how all the work fits together, or guiding principles to reference, we don't know if we're being successful
        - We can promote and plan at the same time
        - When you say, "equitable deployment of charging infrastructure," did you dive into what that means?
            - This was talked about, particularly looking at the areas such as multifamily housing where it may be more difficult to deploy infrastructure. Looking for gaps and making sure that lower-income areas also have access.
            - This would also include that we have the appropriate level of market saturation of chargers in an area, so nobody has to wait for chargers.
            - Also ensuring that the physical action of plugging your car in is accessible for people with disabilities.
        - As we plan charging infrastructure, we should make sure there is space for all types of vehicles (trailers, large commercial vehicles, etc.)

        - Having a comprehensive plan would be good for all the workgroups
            - In addition to a plan, we should have goals and ambitions
            - Targets embedded in the plan is important
            - The more that we can put specific numbers, the easier it is to build the infrastructure to support it
        - Concern with rate design for EV infrastructure if vehicle manufactures haven't committed to the number of vehicles needed.
        - Comment from chat: I support a specific EV goal to plan to for 2030. It looks like 2 M is in the backup as a target for planning ...but maybe we can make that figure more prominent in the goal to plan toward. Then utilities and others could determine the level of charging infrastructure and other programs for fleets, multi-family housing, etc. needed to achieve that penetration. Colorado has set a 1 M EV goal by 2030 and is asking its utilities to file electrification plans consistent with that. I think that's an effective policy mechanism.
    - Recommendation 2: EV Purchase Incentives
        - The first recommendation is an umbrella recommendation, a plan includes a way to provide incentives. Looking at existing travel patterns and incentives.
        - Consider the workforce needed to transition the sector
        - This is an action that we could take while we create the plan in recommendation one
        - Coordinate EV incentives with charging incentives
            - Additional support for this, we need both
            - The group wasn't quite ready to say what kind of incentives would be needed for charging infrastructure, but do think support is needed for deployment
        - Important to structure incentives carefully and think about potential fees that would be applied to people who have no choice but to continue driving combustion engines – think about unintended consequences
        - Recommendations like this would be stronger if you think through how this would be funded
            - This could potentially be paid for with the clean fuel standard in recommendation three
            - Point of sale rebate type of program would be preferable (compared to tax credits)
            - Support for trading efficiency of the program, for equity

        - Worry that higher income people will benefit the most from this, in order to get the diffusion we want, we need to reach more people
        - Work collaboratively with utilities for infrastructure deployment
        - Comment from chat: While rebates are more equitable than tax credits, there are still going to be consumers who do not have enough financial security to comfortably wait for a rebate, or do not trust that a rebate will actually be sent out
            - Response: A rebate at the time of sale would hopefully alleviate some of those concerns
        - Comment from chat: It would seem appropriate for the Council to acknowledge the various trade-offs that exist in recommending some of these policies (for example, equity v efficiency), but defer to the legislature on making value judgments on which tradeoffs outweigh others
    - Recommendation 3: Clean Fuels Standard
        - There are federal standards, and several states are pursuing this, which creates confusion in the market – be careful when setting different limits or standards
            - Going into a program like this, we need to be clear if this is a funding mechanism, emissions reduction mechanism, or both.
            - A state-by-state trading program gets very complicated and may lead to unintended consequences
        - Is there a way that this would guarantee emissions reduction in EJ communities?
            - In theory, anywhere there is a vehicle it will decrease emissions
            - Targeting the revenues that are collected from the program toward EJ communities and equity projects. It comes back to how you design the program.
            - A clean fuels standard will diversify the types of fuels that we, as a society, are using, which also has equity implications
        - In the design of this program, were you thinking about where the eligible credits can come from?
            - We did not make a specific recommendation on this but have looked at ways that Michigan could benefit from the production of credits
            - This is an important design consideration
        - It doesn't sound like we have the modeling to look at potential conflicts between this recommendation and other things, such as deployment of

solar on farmland. Biofuels have caused some other environmental problems. Should we be recommending that this is looked at before we recommend a clean fuels standard?

- The safeguard language in the recommendation was intended to address that concern

- When shaping the language, the council has the ability to state things at a high level
- Comment from chat: In case it's helpful to note: States that have a Clean Fuels Standard have undergone in-depth regulatory processes to answer many of the important questions that have been brought up on the call today, including how the CFS would be measured, implemented, and where the revenues would be spent
- Comment from chat: Balancing benefits to the state versus challenges or unintended consequences that it could create for already complicated supply chains is at the heart of the question
- Discussion on putting all efforts into vehicle electrification rather than also working on clean fuels:
    - Comments from chat:
        - We need other low-emission fuels as part of the solution to meet 2025, 2030 carbon neutrality goals. Meanwhile, we work to speed the deployment of zero emission vehicles in all ways possible as fast as possible.
        - but what's the best use of $500/person - low carbon fuels, or getting to the EV goals faster? I get Charles' point, but I'm still not convinced. Ultimately, we need electrified mobility - can we get there faster if we put everything into that.
        - Would be good to have a better sense of the federal state-of-play on clean fuel standards. And, wondering if we could address some of the "different competing standards" operating challenges by trying to forge a regional clean fuel standard ... a big lift I'm sure, but could bring scale and some consistency to what we adopt (with friendly states on the same path as us). 2) Would really help to have some more scaling of the potential impact on this recommendation ... I think we have that for what emissions remain after electrification and VMT reductions,

but can we model off of other states' clean fuel standards on GHG reduction?
        - Here's an academic working paper by energy economists, about the LCFS and its (complicated) role in expanding the EV market: https://haas.berkeley.edu/wp-content/uploads/WP318.pdf
- Recommendation 4: GHG Emission Budgets
    - What does this mean in practice?
        - It would act as a supplement by which asset management planners develop their five-year plans for doing road projects. Right now, they have a number of considerations such as age and usage. This would be another feature that factors into the calculations.
        - The five-year plan would have to adhere to the GHG emissions limits. If they want to add lanes, those emissions will have to be offset through emissions reductions measures such as bike lanes or increased public transit.
    - This a proposal that would affect 600+ road owning agencies in the state. Some of the emissions reduction solutions are outside the scope of road owning agencies. There are a lot of details that need to be discussed, but generally supportive of the recommendation.
    - How would this interplay with an electrification strategy? Is it about reducing vehicle miles traveled (VMTs), or reducing GHGs?
        - This was focused on reducing VMTs, which will also reduce GHGs
        - The transition to electrification will take time, in the meantime, this recommendation is aimed at reducing the amount of travel from GHG emitting vehicles
        - This also helps to encourage other modes of transportation, which has important equity implications
    - Have you thought through all the different jurisdictions of the roads?
        - Yes, we want to see this applied to all authorities in the state, including the federal roads since MDOT is primarily responsible for their maintenance.
- Recommendation 5: Zero-Emission Public Transit
    - From the survey, most supported this recommendation as is
    - Attention to public transit is critical and this is a very valuable recommendation

        - Encourage this group to think about where we get the most bang-for-the-buck
        - If we were to reconvene, can we put some ranges of emissions reductions numbers for the recommendations to know what has the biggest impact?
        - Focus on the areas with biggest impact—start with urban then build out rural
        - Comment from chat: Would recommend a specific call-out for a state program to help local school districts navigate bus fleet conversion. Potential influx of federal funds coming there and lots of great co-benefits in terms of visibility, education, and local air pollution near kids. Utilities can be partners here but all hands-on-deck on school bus electrification would be great.

- **Next Steps (Liesl Clark, EGLE)**
    - The next meeting is October 26 from 3:00pm - 5:00pm and will focus on recommendations from the Energy Production, Transmission, Distribution and Storage Workgroup.
    - There will be a small group discussion on recycling, circular economy, and food waste. Email EGLE-ClimateSolutions@Michigan.gov if you are interested in participating.
    - Email EGLE-TransportMobilityClimate@Michigan.gov if you have comments from the meeting today.
    - Meeting materials and recordings are available at Michigan.gov/climate.

- **Adjournment**
    - The meeting adjourned at 3:00 p.m.

Approved at October 26, 2021, Council on Climate Solutions meeting.