



August 28, 2023

Department of Environmental Protection
17 State House Station
Augusta, Maine 04333

RE: Nikola Comments - 06-096 C.M.R. Chapter 128, Advanced Clean Trucks Program

Nikola Corporation (Nikola) appreciates this opportunity to submit comments in support of Maine’s adoption of California’s Advanced Clean Trucks (ACT) regulation. In Maine, transportation is responsible for 49% of the state’s greenhouse gas (GHG) emissions, the most of any sector.¹ As a designer and manufacturer of zero-emission battery-electric vehicles (BEV) and hydrogen fuel cell electric vehicles (FCEV), electric vehicle drivetrains, vehicle components, energy storage systems, and infrastructure to support its BEVs and FCEVs, Nikola is driven to revolutionize the economic and environmental impact of commerce as we know it today. We encourage the Maine Department of Energy and Environmental Protection to include both BEV and FCEV zero-emission technologies as it considers future implementation of clean truck policies.

Overview

The aggressive standards set by the ACT rule will go a long way toward advancing Maine’s objectives to reduce GHG emissions, improve air quality (especially in disadvantaged communities), and to bring green well-paying jobs to the medium- and heavy-duty transportation space. This rule is a critical precondition for a well-functioning zero-emissions medium and heavy-duty vehicle (MHDV) market. Nikola strongly supports adoption of the ACT rule by the state of Maine and the other signatories to the MHD ZEV Memorandum of Understanding (MOU) signed in July 2020. Maine’s adoption of the ACT rule signals to original equipment manufacturers (OEMs) that their respective zero-emission vehicle technologies are supported to combat GHG emissions and Maine’s air quality objectives. This is perhaps the single most integral action that a state can take to galvanize the development and maturation of a zero-emissions MHDV market. The current rule, however, is unlikely to reach its

¹ <http://climatecouncil.maine.gov/strategies/transportation>



desired scale of impact without implementation of additional complementary policies to support an entire ecosystem.

Additional Policies and Investments for Consideration

It is critically important that Maine enact manufacturer sales targets for zero-emissions MHDVs. This will advance the state's market leadership and will also send a decisive signal that zero-emissions trucks and buses will become mainstream by 2030 and dominant before 2040. The ACT rule is most likely to succeed if it is complemented with policies to encourage scaling of a zero-emissions MHDV market including: 1) fleet purchase requirements to spur market adoption of zero-emission vehicles currently under development, 2) strong and sustained point-of-sale purchase incentives to drive market transformation, and 3) commitment by other state agencies to implement infrastructure-related policy which supports these zero-emission MHDVs.

Nikola strongly encourages the following actions be considered in concert with the ACT rule for its implementation to be ultimately successful:

- Adopt fleet purchase requirements that mirror the sales targets in the ACT rule, upon final publication of the Advanced Clean Fleets rule by the California Air Resource Board (CARB). Immediately after finalizing the ACT rule, CARB staff began developing a complementary fleet rule called Advanced Clean Fleets.² The goal of the Advanced Clean Fleets Rule is to accelerate the number of medium and heavy-duty zero-emission vehicle purchases in California as soon as possible with an initial focus on high-priority fleets suitable for early electrification, their sub-haulers, and entities that hire them.
- Create a ramp up to the rule via sustained and sufficient investments in incentives for the up-front costs of zero-emission trucks and the infrastructure required to support these trucks.
- Ensure competitive electricity rates for hydrogen production and BEV fleet charging by developing electricity rates that minimize demand charges and enable the use of on-site renewable energy.

² <https://ww2.arb.ca.gov/our-work/programs/advanced-clean-fleets>



- Develop a wholesale electricity market, and enable wholesale market participation for electrolytic hydrogen producers, which will provide the means for both low-cost hydrogen production as well as the deployment of additional renewable energy generation to support the increased electricity demand relating to zero-emissions vehicles.
- Allow utilities to rate base capital investments without customer-required up-front payments for make-ready electric infrastructure investments to speed interconnection for BEVs, hydrogen production and fueling facilities.
- Support infrastructure upgrades along roads and freeway exits to enable freight vehicle movement to new hydrogen fueling stations.
- Encourage demonstration pilots with utilities and fleets in Maine for BEV charging and hydrogen FCEV use to inform development of advantageous rates, demonstrate emissions reductions, and encourage fleet adoption.

Furthermore, development of state incentive programs, like a fleet voucher program are also important to jumpstart market transformation and transition to more flexible and innovative models that can effectively channel incentive dollars into resale MHDV markets, where many small and minority-owned fleets procure new trucks.

We appreciate the state of Maine's leadership to adopt policies like the ACT which will accelerate the deployment and market adoption of zero-emission MHDVs and infrastructure and help the state reach net zero emissions by the middle of the century. Nikola looks forward to working with the Department of Environmental Protection and other stakeholders in Maine to inform this process and support the state's ongoing zero-emission transportation objectives.

Sincerely,

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