STATE OF MINNESOTA
OFFICE OF ADMINISTRATIVE HEARINGS
FOR THE
MINNESOTA POLLUTION CONTROL AGENCY

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PUBLIC HEARING
PROPOSED REVISIONS TO MINNESOTA RULES
CHAPTER 7023
ADOPTING VEHICLE GREENHOUSE GAS EMISSIONS STANDARDS
(CLEAN CARS MINNESOTA)

------------------------------------------

OAH DOCKET NO. 71-9003-36416
REVISOR ID NO. 04626

VOLUME I

The above-entitled matter came on for hearing before Jessica A. Palmer-Denig, Administrative Law Judge, taken before Marcia L. Menth, Court Reporter, a Notary Public in and for the County of Wright, State of Minnesota, taken on the 22nd day of February, 2021, commencing at approximately 3:00 p.m., via Webex.

KIRBY KENNEDY & ASSOCIATES
952-922-1955
APPEARANCES

APPEARING VIA WEBEX ON BEHALF OF MINNESOTA POLLUTION CONTROL AGENCY:

JOSEPH DAMMEL - Attorney

AMANDA JARRETT SMITH - Climate and Energy Policy Planner

DAVID BAEL - Economic Policy Analyst

KATIE IZZO - Rule Coordinator

MAGGIE WENGER - Air Policy Planner

*The Original is in the possession of Administrative Law Judge Jessica A. Palmer-Denig.
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PROCEEDINGS

THE JUDGE: We'll start the hearing.

My name is Jessica Palmer-Denig, I'm an administrative
law judge at the State's Office of Administrative
Hearings.

I think what I'd like to do is get a
little bit of a slow rolling start this afternoon in
order to let folks have some time to get in, especially
anybody who is still, because the hearing just began,
maybe calling in.

So, I want to let you know what we're
going to do today while everyone gets themselves into
the hearing room.

This is the Clean Cars hearing and
I'll provide some more specific detail about that in a
moment. So, if that's where you need to be, you are in
the right place. We have both Webex broadcast and we
also have folks participating through audio only on
their telephones.

We do have a PowerPoint presentation
to start with today. I'm going to do the initial
information and then I'll pass it over to the Agency to
do its presentation and then we will circle back and
start questions and comments at that time.

So, I'm going to ask at this point if
I could have the PowerPoint loaded up so that we can get started with that.

    So, this is the public hearing, it's the first of two public hearings in the proposed rules of the Minnesota Pollution Control Agency, adopting vehicle greenhouse gas emission standards or Clean Cars Minnesota, Chapter 7023.

    This is OAH Docket Number 71-9003-36416. This is also a rulemaking that's been filed with the Revisor's Office and has a Revisor's ID Number of 4626.

    When you are participating in this proceeding it's very important to remember the last five digits of the OAH Docket Number, 36416, because that is important to reference when you are doing comments by mail or navigating our e-comment system or faxing comments in.

    Today is February 22nd of 2021 and it is 3:02 p.m. and I'm convening this as the first public hearing on this rulemaking. And I'm pleased to welcome all of the participants to the rulemaking today. If I could have the next slide.

    As I said, my name is Jessica Palmer-Denig, for anyone who is just joining us, and I'm an administrative law judge at the State's Office of
Administrative Hearings.

The Office of Administrative Hearings is an independent agency of the State of Minnesota. It exists to provide hearings in a manner that is fair and impartial to every participant.

The OAH, as I said, is independent, so it is not related with the Minnesota Pollution Control Agency or any other State agency or any party or person or participant in this proceeding. We are entirely independent.

This particular hearing is being held to allow the Agency an opportunity to present its case in favor of the proposed rules and also to hear from members of the public to provide some additional perspective from where they sit on this rule. If I could have the next slide.

Public participation is really essential in the development of rulemaking because rules represent public policy of State agencies. Among other directives from the legislature in Minnesota Statute, Chapter 14, rulemaking hearings are to be conducted so that members of the public can be heard.

It is important that we hear from as many people as possible in this proceeding so we can gather as much information as we possibly can. So, I
thank you very much again for participating.

And for those of you who plan to speak today, I'm very happy to have you here and to hear your perspective. Thank you for contributing your thoughts and your expertise to this proceeding. I'll take the next slide, please.

So, under the Administrative Procedure Act there's a very specific legality review that's conducted by the Office of Administrative Hearings of rules. And there's certain key issues that I'm required to address as part of this proceeding.

I'm required to examine whether the Agency has legal authority to adopt the rules that it's proposing. I need to determine whether the Agency has fulfilled all of the relevant, legal and procedural requirements that are necessary to be able to promulgate rules.

And then I'll need to determine whether the Agency has demonstrated the need for and the reasonableness of the proposed rules.

And some of you may have comments that are beyond the scope of those three particular items. And that is important for the Agency to hear, but I think it's also important for everyone to understand what the role of the OAH is and what the
legislative directive is to the OAH in terms of this rulemaking.

   The administrative law judges of this office are not empowered to substitute our judgment for that of the Agency as to the policy choices that they are making. We don't indicate that we think that the Agency should make a different choice or should rewrite the rules in a particular way to accommodate the perspective of a particular commenter.

   Rather, I'm going to be looking at these three questions: Do they have legal authority? Have they fulfilled the legal and procedural requirement? And has the Agency demonstrated the need for and reasonableness of the proposed rules? If I could have the next slide.

   So, the way that we're going to proceed today is that I'm making these initial remarks, then I'm going to introduce the Panel from the Agency. The Agency is going to offer its exhibits and make its presentation about the rule. And then we're going to turn to public questions and comments.

   We do have a court reporter with us today who is transcribing everything that will be said in this proceeding as the official record of the proceeding. I will be taking breaks from time to time
to give the court reporter a break.

    With respect to this particular road
map and agenda, you can expect to take a break after the
Agency exhibit and presentation bullet point and before
the public comments bullet point.

    And then, I'll find some other times
during the time we have together to take a break later
on. But there will be a break after the Agency's
exhibits and presentation. If we could go to the next
slide.

    So, the Agency Panel today is
primarily made up of two people; Joseph Dammel, staff
attorney with the PCA, and Amanda Jarrett Smith, who is
a climate and energy policy planner.

    Mr. Dammel is going to speak first
and he's going to offer the Agency's exhibits into the
record. And then the bulk of the Agency's presentation
will be done by Ms. Jarrett Smith.

    There's some other folks on the line
who are here to answer questions if necessary; David
Bael, who's an economic policy analyst, Katie Izzo,
who's the rule coordinator for the Agency with respect
to this rule, and Maggie Wenger, who's an air policy
planner.

    They are sort of waiting in the wings
if one of you has a question that relates to specific
areas that they cover. And they are also going to be
assisting me during this hearing to get everyone into
the queue for commenting and make sure we run the
hearing smoothly. All right. Next slide.

The Agency's exhibits, I talked
earlier about how the Agency is going to offer exhibits
into the record. There's certain requirements for the
Agency to substantiate its rulemaking record by offering
exhibits. So, I'm going to be receiving those into the
record.

Those exhibits are publicly available
at the website for the Pollution Control Agency, it is
www.pca.state.mn.us/air/clean-cars-mn-rulemaking. And
I'll tell you, because I've done it myself, if you type
in clean cars rulemaking Minnesota PCA, you will land at
this website.

And they have all of the relative
documents related to this rulemaking and the exhibits
that they're going to be offering on that website. And
that's PCA's website,
www.pca.state.mn.us/air/clean-cars-mn-rulemaking. If I
could have the next slide.

So, most of the time in this public
hearing is going to be allotted to hearing from you as
commenters about the concerns that you have or the -- if
you're in favor of the rule, whatever your comment is,
this is the time for you to express that at a public
hearing setting.

So, the ways to comment are to offer
oral comments at this hearing or to offer written
comments electronically, by mail or by fax. The
electronic address is the e-comment site of the Office
of Administrative Hearings is found at
www.minnesotaoah.granicusideas,
g-r-a-n-i-c-u-s-i-d-e-a-s, .com/discussions.

You can also send comments by U.S.
mail to the Office of Administrative Hearings, Attention
Denise Collins, P.O. Box 64620, St. Paul, Minnesota
55164-0620. Or by fax to 651-539-0310.

It is important to note that you
cannot submit a comment by email. We occasionally do
receive email comments from folks and I want to explain
why we don't accept email comments because I think
there's a general sense that email is just a fine way to
communicate.

The email comments are problematic
for us because emails get missed and also emails end up
in spam folders sometimes and we would not get that
e-mail. It's possible that emails might get misdirected
and not in the right place.

So, we do not accept comments by email. And to the extent that we have received emails from people who wish to comment, our office has responded to them and let them know how they should comment.

I want all of you to know since you're here that the way to comment is either to speak today or to offer written comments electronically, by mail or by fax, but not by email. If I could go to the next slide.

The preferred method for submitting written comments is the e-comments site that I mentioned, granicusideas website of the Office of Administrative Hearings. That website allows us to immediately make comments available to the public, immediately register them and make them available.

And certainly given the pandemic, it is the easiest way for everyone to participate in the rulemaking. So, we really encourage you, if you can, to use the e-comment site at the Office of Administrative Hearings website for your comments. If I could have the next slide.

So, there are a couple of different ways that you can present comments here today. If you
are participating by Webex you will see at the bottom right side of your computer screen a Q and A icon. Type your first and last name into that Q and A icon and indicate that you're interested in speaking.

That Q and A message goes directly to the host who will put you in the queue and then we will unmute your microphone when it is your turn to speak.

If you're participating by telephone you can press Star 3 on your telephone and that will put you in the comment queue. If you are able, in addition to pressing Star 3, it's very helpful if you will send an email to cleancarsmn.pca@state.mn.us.

I'm going to say it again for those of you on the phone, cleancarsmn.pca@state.mn.us. And indicate your interest in speaking by including your first name and last name and the phone number that you are calling from.

The reason we are asking for you to do this two-step process if you are on the phone is when you press Star 3 your information goes into the queue, but it's very limited information. We don't have a name and we don't have your entire phone number, maybe only your area code and the last couple of digits of your phone number.

So, it's difficult to match up that
information with the person who would like to speak, who facilitatates this as efficient as a way as possible.

Again, if you are participating by telephone I'll ask you to press Star 3 and then if you are able please send an email to cleancarsmn.pca@state.mn.us with your first and last name and the telephone number you are calling from.

All of these indications of interest in speaking are going to be placed into the queue and then we will start loading folks -- at the time that it's time to comment we'll start loading folks into the queue so we can get comments from everyone. If I could have the next slide.

If you are presenting here and commenting through Webex, please turn on your video when you're going to speak by clicking the video icon.

I will note that there's a number of folks from the Agency who are here, both as presenters and then here to sort of facilitate and be on hand to answer questions. I've asked them to keep their cameras off unless they're actively speaking.

We have discovered sometimes it can help for bandwidth for a hearing to have cameras and mics off unless people are actively speaking. We get
less distortion and less difficulties with troubleshooting technologically.

So, I've got the Agency folks with their cameras off for right now, but then they will turn their cameras on when it's time to do that.

And when you are called upon out of the queue and you're participating by Webex, please turn on your video by clicking the video icon. I'm going to ask that everyone please limit your initial comments to five minutes.

I'm going to let folks return to the queue to speak again if time permits. I'm going to give preference, though, to people who have not spoken yet.

There is one exception to this, I am going to allow some additional time during this hearing to an organization that represents the interest of automobile manufacturers because the manufacturers are the ones that are the most directly regulated -- in fact, are directly regulated by this regulation.

I know that there are concerns and interests that relate to downstream potential and actual consequences and I want to hear about those things, too. I think it's important to make sure we give adequate time to the parties who are most directly regulated by the regulations. So, when it's time for that person to
speak I'll give them extra time.

Our objective during the hearing process is to hear from as many different people and on as wide a range of topics and as many perspectives as the time that we have today and tomorrow permits us to do. So, please go to the next slide.

If you are unable to make a comment today, if we have a technological glitch, you just don't get in to make a comment, please remember I'm holding another public hearing starting at the same time tomorrow. So you can certainly show up at that hearing and we'll give it another go.

Please remember also that you can submit written comments, and we strongly encourage you to submit written comments, by e-comments, mail or fax. If you are unable to comment today, please know that your comment will be considered in the exact same way no matter how it is received.

There's no additional weight that attaches to a comment that's made in any particular way, such as, that they're all going to be considered in the same way regardless of the method. If I could have the next slide.

When you are commenting it's very helpful if you go ahead and state and spell your first
and last name. And I'll try to prompt that. That's important for the court reporter to be able to get all of this information down.

If you are commenting on behalf of an organization, please let me know the organization. If there's acronyms, it's helpful to spell out what that term is so we know what it is.

It's important to speak slowly and clearly and loudly since we are reporting this proceeding. If there's any names that you mention, other than yours, or technical terms, it's very helpful to have those spelled as well.

As I noted, we do have a court reporter who's on the line with us and I've encouraged the court reporter to jump in on her own if she's unable to hear something and needs some verification. You should be prepared and be listening for that in case she needs something. Next slide, please.

So, in terms of your commenting, it's helpful for my purposes if you could comment and focus on the three key issues for this hearing, whether the Agency has legal authority to adopt the rules, whether the Agency has complied with legal and procedural requirements, and the need for and reasonableness of the rules.
If you are concerned about or want to comment on a particular aspect of the rule, a particular section of the rule, it's very helpful if you identify that for me so I know exactly what the concern that you're expressing is about. Next slide, please.

So, this is a legal proceeding, it's important to remember that. This is similar to a public hearing for a legislative body or for city council. It is a legal proceeding, even if it's not technically a courtroom proceeding.

It's important to respect other speakers and the time limits I'm going to establish so I can make sure that this hearing runs effectively.

If you are unmuted it's important -- if we have people who are unmuted at the same time it's important that there's not interrupting or clapping or anything that could be disruptive of the speaker who is trying to speak. Again, listen to the court reporter in case she needs verification or more information.

And court proceedings are not to be recorded without permission. So, a recording of this proceeding is not permitted. The court reporter will be the official record of this proceeding. Next slide, please.

So, I want to take a few minutes to
go very quickly through some screen shots for those of
you who are participating on Webex of what e-comments
website of the Office of Administrative Hearings looks
like to facilitate your use of that commenting platform.
Again, it's www.minnesotaoh.granicusideas.com.

And the first thing that you'll do is
there's some initial instructions for how you sign up.
If I can have the next slide.

So, in order to use e-comments you
have to sign up to be able to use it by providing and
creating a password and provide your email and things
like that. If you're already a user of e-comments you
just need to sign in using that existing information.
If I could have the next slide.

You'll then be required to validate
your email so we know you're an actual person as part of
the technological perspective in trying to operate this
page. And then, once you've done that you go into
discussions. If I could have the next slide.

You go into the discussion for this
particular rulemaking, this is what you'll see, it says,
"36416 Pollution Control Agency, Notice of Hearing,
Greenhouse Gas Emissions, Initial Comment Period."

So, you're going to click view
discussion, this is where you would find the place for
you to comment. Next slide.

   It's important to note that we -- all of the information that is submitted in a rulemaking proceeding is public information. If you do not want it to be public information, don't submit it because there's no way under the Data Practices Act for us to keep that information private if it's submitted in rulemaking.

   We do not edit or delete submissions that include personal information. So, again, if you don't want it on the e-comment site, do not put it there.

   And we do reserve the right to remove comments that contain material that is harassing or intimidating or bullying or aggressive. We will remove those. However, they will remain a part of the rulemaking record, the Agency will still keep them, we just don't display them on our website.

   I do want to take an opportunity while we're talking about this particular issue to note that there is a reply function in the granicusideas website that allows you to reply to a previous commenter.

   And we do review those replies because we consider them to be rebuttal comments, but
it's important to remember that this is a legal record, it's not a social media platform, it's not really designed to be an opportunity to directly engage and get into arguments or things like that with people.

   It's important to remember that when you submit a comment, whether it's an initial comment or a reply comment, you are officially submitting them to a legal proceeding directed to me as the judge and to the Agency as the rulemaking body.

   So, even if you are replying it's a good idea to remember that that comment is directed to the judge and it's not necessarily directed to the person that you're replying to.

   So, you'll go down here and click view topic and then that will take you to where you need to be. All right. If I could have the next slide.

   You scroll past to the bottom of the page, enter your comment and add any attachments. I believe you can add three. If you need to add more than that, you can make another comment and add an additional attachment to that comment and then you click post it. All right. Next slide, please.

   The initial comment period in this proceeding is closing March 15, 2021. So, under Minnesota law I can extend the comment period up to 20
calendar days after the final public hearing to allow
the public to continue to submit comments.

So, this 20-day period is the maximum
under the law that I am allowed to offer to participants
to submit comments. So, that initial comment period
closes March 15, 2021.

Comments must be received by
4:30 p.m. no matter how you submit them, e-comments,
whether you send us a letter or if you send us a fax,
4:30 p.m. on Monday, March 15, 2021 is the deadline for
that. I do officially here on the record order that the
comment period is extended until March 15, 2021. Next
slide.

There is an additional rebuttal
comment period that follows the initial comment period,
that is five business days. So, the original comment
period, the initial one, is 20 calendar days.

And then the rebuttal period is five
business days from the close of the comment period on
March 15th, which means that rebuttals must be received
by 4:30 p.m. on Monday, March 22nd of 2021 for them to
be considered.

Now, it's important to note that a
rebuttal is a reply to something that's already been
said in the rulemaking. It's not an opportunity to
raise new issues.

If you have certain issues that you want to raise as an initial matter, you should make your comment during the initial comment period that expires on the 15th. And then, if you would like to make a rebuttal comment to things that were filed during that time, you can do that during the rebuttal. Next slide.

So, then what happens after that, after the comment period? I will issue a report along the lines of the things that we talked about earlier, about the legal authority to adopt the rules, whether the procedural rules have been complied with and whether there's a need for and reasonableness of the rule based on the Agency's presentation and based on all of the comments that are received into this record.

I will issue that report within 30 days of the close of the record, the end of the rebuttal period, unless there's an extension granted. At this time I can't tell you whether there will be an extension, it will depend a little bit on what we receive during the hearing.

My report will be published on the day that it is issued. It's published on the website of the Office of Administrative Hearings in our public decision archive. The website for that is
mn.gov/oah/media/opinion-archive.jsp or
tinyurl.com/oah-archive. If I could get the next slide.

If you are here as a lobbyist I just
want to give you a reminder that lobbyists must register
with the Campaign Finance and Public Disclosure Board.
And if you have any questions about the registration
requirements for that, you should direct that to that
Board, the Board's website address is www.cfb.mn.gov.
Next slide, please.

So, I'm going to move now to the
Agency Panel. I'm going to begin with Mr. Dammel.
Mr. Dammel, if I could have you unmute yourself and turn
on your camera. Thank you. If we could go to the next
slide.

All right, Mr. Dammel, you can begin
your portion of the presentation.

JOSEPH DAMMEL: Okay. Thank you,
Your Honor. My name is Joseph Dammel, J-o-s-e-p-h,
D-a-m-m-e-l. I'm a staff attorney with the Minnesota
Pollution Control Agency, which is sometimes referred to
as the MPCA.

Our address is at 520 Lafayette Road
North, St. Paul, Minnesota 55155. And I'm appearing in
this rule proceeding on behalf of the MPCA.

As you stated, Your Honor, this
hearing is about the MPCA's proposal to adopt motor vehicle emission standard as part of its Clean Cars Minnesota rulemaking.

The judge has already introduced the MPCA staff here today who will be making a presentation about the proposed rule and are available to respond to questions as needed.

The Agency will answer clarifying questions today and may provide written response to questions following the hearing.

Before the presentation that Ms. Jarrett Smith will be giving and in accordance with Minnesota Rule 1400.2220, I would like to offer into the hearing record the hearing exhibits contained in the three-ring binder that was delivered to Your Honor prior to the hearing. And the exhibits are also posted on the Agency's website.

THE JUDGE: If we can go to the next slide, there's a list of the exhibits here. All right. This is a list of the exhibits. And I'll note that at this time, because of the timing issues, I have received through e-filing and then also a courtesy copy was delivered to me, as noted, Exhibits A through K.

Exhibits L, M, and N, just timing-wise, come a little bit later. So, I'm receiving
into the record Exhibits A through K.

And then to the extent that the Department later files Exhibit L, M or N those will be received upon filing. So, those are now a part of the record, the Agency's exhibits.

Mr. Dammel, do you have anything further for your portion of the presentation?

JOSEPH DAMMEL: I do, Your Honor, just a few more items. I just wanted to highlight that the purpose of the documents that are now in the record, as Judge Palmer-Denig highlighted, is to, one, document the legal authority of the MPCA to adopt the proposed rule.

Two, to demonstrate that the Agency has fulfilled all legal and procedural requirements for promulgating the rule. And three, to demonstrate the need for and reasonableness of each portion of the proposed rules.

And I'd like to quickly review some of the exhibits that are in the index and how several of those exhibits relate to the three purposes that we've been discussing today.

Exhibit C contains the text of the proposed rule. Exhibit D contains the Statement Of Need And Reasonableness, which is referred to as the SONAR,
and that's spelled S-O-N-A-R, that was published with
the rule.

The SONAR contains the information
required by Minnesota Statutes Chapter 14.131 and it
documents statutory authority of the Minnesota Pollution
Control Agency to adopt the proposed rule.

The SONAR and Exhibit D also
demonstrates that each portion of the proposed rule is
needed and reasonable. And the SONAR and the
accompanying technical support document, or TSD,
includes both general and specific explanations of why
the rule is needed and reasonable.

Together the other exhibits
demonstrate that the Agency has fulfilled all legal and
procedural requirements. And I'll run through quickly a
few of those.

Exhibit A is the initial request for
comments that started the formal rulemaking process.
Exhibit C is the Revisor's approval of the proposed
rule. Exhibit E is the cover letter verifying
submission of the SONAR to the legislative reference
library.

Exhibit F, the notice of hearing as
mailed, as posted electronically on the MPCA website,
and as published in the state register. Exhibit G, the
certificate of mailing the notice of intent to adopt
rules with a public hearing, the GovDelivery bulletin,
and the certificate of accuracy of the mailing list.

Exhibit H, the certificate of
additional notice and evidence of implementation of the
additional notice plan.

And then, Exhibit K, evidence of
compliance with requirements to notify legislators and
the Legislative Coordinating Commission and to provide
copies of the draft rule and SONAR to the executive
budget office at Management and Budget.

As Your Honor indicated, Exhibits L, M, and N will be entered into the record following the
hearing. And now Ms. Jarrett Smith will make a
presentation outlining the proposed rule amendments and
summarizing the need for and reasonableness of the
proposed rule.

The presentation will take about 30
minutes. And when finished we will be happy to answer
any clarification questions on the material presented.

Thank you, Your Honor.

THE JUDGE: Thank you very much,
Mr. Dammel. Ms. Jarrett Smith, if you could unmute
yourself and turn on your camera. And I think we can
advance to the next slide. Thank you.
Ms. Jarrett Smith, if you want to go ahead and introduce yourself for the record. At this time, Ms. Jarrett Smith, I don't have video or audio for you. If you could unmute yourself and turn your camera on. I am still not hearing Ms. Jarrett Smith.

I have the PowerPoint up on my screen, so I'm assuming that's what everyone is able to see. I want to make sure, Ms. Jarrett Smith, you can get yourself unmuted. I don't know if it's possible whether or not Ms. Jarrett Smith needs some help getting unmuted.

JOSEPH DAMMEL: I just wanted to --

AMANDA JARRETT SMITH: Hello.

JOSEPH DAMMEL: Oh, she's here.

AMANDA JARRETT SMITH: I'm sorry, the display got a little locked on my computer, but I think we're here.

THE JUDGE: It can sometimes take a minute to get everything set up. Thank you. You can go ahead and introduce yourself for the record.

AMANDA JARRETT SMITH: Yes, let me just get things a little bit -- I had to search through all sorts of things on my computer to find myself again. All right. Thank you, Your Honor.

Good afternoon, my name is Amanda
Jarrett Smith, that's spelled A-m-a-n-d-a, J-a-r-r-e-t-t, S-m-i-t-h. And I'm the climate and energy policy planner at the Minnesota Pollution Control Agency and the project coordinator for this rulemaking. Thank you all for joining us today to learn more about the Clean Cars Minnesota rulemaking and provide your questions and testimony on this proposed rule. In this presentation I'm going to walk us through the need for action.

The MPCA has statutory authorities and a bit of other background and then I'll cover the mechanics of the rule proposal and some of the results of our analysis of the proposed rule.

So, I want to start off with a bit of context for the proposal that we're talking about today. I'll be going into more detail in a little bit in the presentation.

The Clean Cars Minnesota rulemaking would enable the State to adopt two vehicle emissions standards commonly referred to as the Clean Car standards. The technical names are the low-emission vehicle standard, or L-E-V, LEV, and the zero-emission vehicle standard, or Z-E-V, ZEV.

The low-emission vehicles are conventional internal combustion engine cars, SUVs and
pickup trucks that run relatively cleanly on liquid fuels. Zero-emission vehicles are powered by electricity and have no tailpipe emissions.

These standards would work together to ensure that Minnesotans shopping for a new vehicle will have continued access to the cleanest models available and more options for electric vehicles.

The MPCA is proposing to adopt this rule to address three primary needs. The first is climate change. Minnesota's climate is already changing and the most current science says that significant greenhouse gas, or GHG, emission reductions are necessary by 2030 to avoid the worst effects of climate change.

In addition, the Minnesota 2007 Next Generation Energy Act establishes a statewide goal that reduces greenhouse gas emissions across all sectors by at least 15 percent below 2005 levels by 2015, at least 30 percent by 2025, and at least 80 percent by 2050.

The MPCA's most recent greenhouse gas inventory shows that we are not meeting our statewide emission reduction goals and more action is needed to get them on track.

Since transportation is currently the largest emission source of greenhouse gases in
Minnesota, it's especially important that we focus attention on efforts to reduce emissions in this sector. The second goal of this proposed rule is to reduce air pollution, protect public health, and advance environmental justice.

In June of 2019 the MPCA and the Minnesota Department of Health released the Life and Breath Report that showed fine particles in ground level ozone contributed to roughly 2,000 to 4,000 deaths and hundreds of increased hospital visits in Minnesota in 2013, which is the most recent data available at the time. Reducing emissions of air pollution is critical for protecting the health of Minnesotans.

MPCA research also shows that communities of color and lower income communities are disproportionately exposed to pollution from vehicles because these communities are disproportionately located near busy roadways as a result of a history of racist policies and practices in housing and urban design.

Reducing emissions from vehicles is necessary to reduce exposure to these already overburdened communities and to advance environmental justice.

And finally, the third need for this proposed rule is to avoid backsliding on environmental
protections. In recent years federal greenhouse gas emission standards have been made less stringent.

Adopting this alternative set of standards as allowed under the Federal Clean Air Act and adopted by 14 other states sets up Minnesota to have the most protective vehicle emission standards in place while the federal government reviews its next steps.

This slide explains how state and federal law work together in this rulemaking. State agencies like the MPCA has the legal authority to make rules through the administrative rulemaking process that we are currently in.

Rulemaking is a normal function of state agencies. State agencies can only make rules for which they have authority given to them by the state legislature. The MPCA has the authority in Minnesota law to adopt emission standards for motor vehicles.

And the LEV and ZEV standards proposed for adoption here are emission standards for motor vehicles. Further, the standards will address air pollution which the MPCA also has authority to regulate in Minnesota law.

The federal Clean Air Act directs the federal government to adopt vehicle emission standards. It also allows California to adopt its own more
protective standards with a waiver from the U.S. Environmental Protection Agency or EPA.

The federal Clean Air Act does not allow states like Minnesota to create their own vehicle emission standards. However, Section 177 of the Clean Air Act does allow states to choose between the standards developed by the federal government and the standards developed by California.

The MPCA is proposing here to adopt the current standards developed by California. I want to highlight that we are proposing to adopt the current standards developed by California and are being implemented by 14 states.

If California adopts new standards in the future those standards would not go into effect in Minnesota without another rulemaking to affirmatively adopt them. More on that topic on a later slide.

I would also like to note here that California does not currently have an effective waiver in place and we have drafted the rule to account for this. I will also talk about that a bit later on.

Together, the MPCA is using the rulemaking process created by Minnesota law to propose adoption of emission standards for motor vehicles as allowed under the federal Clean Air Act.
As I mentioned, 14 other states have chosen to follow these alternative standards that are more protective than the federal standards as allowed under the federal Clean Air Act.

This slide shows a map of the 14 states and the District of Columbia that have adopted the low-emission vehicle standard. Nearly all have also adopted the zero-emission standard.

It also shows the three additional states that are currently in progress. Along with Minnesota, Nevada and New Mexico are currently working to adopt those Clean Car standards. All states that have adopted the Clean Car standards have used a similar rulemaking process.

From the experiences of these other states we know that the standards work, that vehicle manufacturers can comply with them successfully and we have a community of other states to learn from that includes cold weather climates and rural communities.

So, before I get into the more details on the rule, I want to highlight some basic facts about the proposed Clean Cars Minnesota rule.

It would apply to new, light and medium-duty vehicles only. It does not apply to off-road or heavy-duty vehicles or equipment like farm
equipment or semi trucks.

It does not apply to existing vehicles or used vehicles and does not require anyone to get rid of a vehicle that they already own. It also does not require emissions testing.

The proposed rule does not require any individuals to purchase an electric vehicle or EV and does not eliminate popular vehicle types like SUVs or pickup trucks.

Now to get into some of the details of the proposed rule. The low-emission vehicle standard, or LEV, sets limits for tailpipe pollution of greenhouse gases, nitrogen oxides, nonmethane organic gases, and particulate matter for auto manufacturers.

 Meaning, it regulates the amount of greenhouse gasses and other harmful air pollution that new vehicles are allowed to emit. The standard is nothing new. The auto industry has been successfully meeting it since 2012.

LEV certified vehicles are already what's for sale on Minnesota lots. In fact, because the federal standard and the LEV standard were the same between 2012 until 2020, all new vehicles sold in Minnesota over the last eight years have been LEV certified vehicles.
However, as the federal government has changed course several times in recent years, the MPCA is proposing to formally adopt the LEV standard in order to preserve consumer access to the cleaner, more efficient vehicles that Minnesotans enjoy today.

It's also important to note that the LEV standard becomes more stringent over time by approximately 5 percent annually, which means it requires the auto industry to make incremental progress year over year and producing cleaner, lower emitting vehicles.

The LEV standard is designed to give auto manufacturers reasonable flexibilities to determine how best to comply with the standard based on the types of vehicles that they sell.

The LEV standard operates as a credit system that allows manufacturers to comply with a statewide, fleetwide averaging calculation.

Using a statewide fleet average allows manufacturers to achieve greater reductions from some vehicle models than others and choose what technology is right for which application.

Here's how the LEV credit system operates. A manufacturer that achieves a fleet average carbon dioxide value less than the requirement earns
credits. A manufacturer that does not meet its fleet average receives a debit.

If a manufacturer has a greenhouse gas credit deficit for a given year, it has five model years to equalize that deficit through earning or purchasing credits.

This means that even if manufacturers are falling short on their obligations, they have multiple options for choosing how best to comply with the standard.

Another way that the LEV standard provides flexibility for manufacturers is that the standards are based on calculations using the vehicle footprint. Vehicle footprint refers to the relative size of the vehicle.

This means that larger vehicles, such as SUVs and pickup trucks, are not expected to meet the same standards as small cars. This built-in flexibility allows manufacturers to produce the vehicle types that their consumers want, while providing the cleanest, most efficient vehicles for those types.

This flexibility is important to maintain consumer choice and ensure Minnesotans can purchase the vehicles they want while achieving emission reductions across those vehicle types.
Lastly, I'd like to emphasize that this fleet average is calculated statewide, meaning, for the state as a whole. So, manufacturers can continue to deliver different mixes of vehicle types to different parts of the state based on local needs and preferences.

The zero-emission vehicle standard, or ZEV, works a bit differently. It requires auto manufacturers to deliver more zero-emission vehicles for sale in Minnesota.

Here we're talking about battery powered all electric vehicles and plug-in hybrid models. Plug-in hybrids are vehicles that can be both plugged in and use a liquid fuel.

The number of vehicles is linked to the automaker's overall sales within the state. Like LEV, the standard also calls for incremental progress over time, not sudden overnight change.

The ZEV standard requires manufacturers to increase their deliveries of EVs gradually by about 2.5 percent annually. The ZEV standard also operates using a credit system with significant flexibilities for manufacturers to determine the best way to comply.

So, here's how the ZEV credit system operates. Manufacturers earn different amounts of
credit based on the type of vehicle, battery electric versus plug-in hybrid electric, for instance, and how far the vehicle can drive on a single charge.

For example, a battery electric vehicle with a long range can earn up to four credits compared with a shorter range plug-in hybrid, which might earn around one credit.

Manufacturers can waive these credit factors when deciding which types of vehicles to deliver for sale in Minnesota and other ZEV states.

Manufacturers have multiple ways to meet their obligation. They can choose to develop and deliver electric vehicles themselves or they can choose to purchase credits from other manufacturers instead or some combination of these two.

In addition, manufacturers who over comply with the standards and earn more credits than they need can bank those credits for future years or they can choose to sell their credits to other manufacturers.

This ability to bank credits for the future offers greater flexibility to manufacturers and helps ensure that they can maintain compliance if they encounter an unforeseen challenge. Manufacturers can make up a ZEV credit deficit in the next model year if
needed.

Secondly, the standard is also a statewide standard. Meaning, that manufacturers can make their own decisions regarding the number and type of vehicles to deliver and where based on local markets and interest.

The standard does not dictate that a certain number of electric vehicles should be delivered to certain areas of Minnesota.

As part of our technical analysis the MPCA looked at EV availability in other cold weather states that have already adopted ZEV.

We found that dealers in these states with ZEV standard were carrying higher percentages of EVs on their lot overall, but that these numbers varied based on dealer location.

Typically higher percentages of EVs are available in more populated areas and lower percentages in smaller communities.

This indicates that manufacturers are able to develop plans to comply with the ZEV rule that considers the size of the local market and local interest in purchasing electric vehicles and that manufacturers and dealers are able to strike a balance.

Dealers' lots are not being flooded
with EVs, while at the same time EVs are more accessible to consumers around the state.

We're often asked exactly how many new vehicles will need to be electric vehicles to comply with the ZEV standard, but these various flexibilities mean that it's not possible for us to know precisely the percentage of new vehicles that would need to be EVs in order to comply.

However, our analysis estimates that after model year 2025 between 6.2 and 7.4 percent of new vehicles delivered for sale would need to be EVs. So, if you picture 100 new vehicles delivered in model year 2025, roughly seven vehicles would need to be electric vehicles and the other 93 would be conventional vehicles.

Again, we note that this is an estimate because of the flexibilities of the ZEV standard presented to manufacturers for compliance in the future.

To provide even greater flexibility for manufacturers the MPCA is proposing to establish an initial bank of credits for manufacturers to use in the early years of the rule, especially as they ramp up EV deliveries from levels seen today to levels required by the standard.
Establishing an initial credit bank is outside of the standards set by California and therefore is a choice left to the states. Precedent in other states has established that states adopting the ZEV standard for the first time have the ability to establish their own mechanism for developing an initial credit bank.

The MPCA proposes to establish an initial credit bank through two mechanisms; an early action credit system and a one-time allotment of credits.

The early action credits are a voluntary system that are intended to encourage manufacturers to ramp up EV deliveries sooner than required by the rule.

The one-time allotment would provide an initial deposit of credits equivalent to the number of credits a manufacturer would need for compliance in the first year of implementation.

The MPCA heard from manufacturers that they try to maintain about one year worth of credits in their bank to help manage risk. The intent of the one-time credit allotment is to address this preference raised by manufacturers while not diminishing the efficacy of the ZEV standard once implemented.
Therefore, to comply with the standard manufacturers will have access to credits from early action sales, plus the one-time allotment of credits, plus the number of credits they receive from ZEV sales each year starting in model year 2025.

The MPCA has heard from some commenters that we should provide an initial ZEV credit bank that is proportional to the number of credits available in California's bank in 2024.

Our analysis found that using a proportional credit system instead of what we've proposed could cover the ZEV credit compliance requirements for at least four years of implementation and possibly more, reducing the need for manufacturers to deliver more electric vehicles.

The ZEV standard is intended to spur EV deliveries beyond business as usual EV sales growth. Therefore, it's important not to give away too many credits and thereby undermine the requirements of the rule.

In addition, while some states that have adopted the ZEV standard have used a proportional bank of credits, most other states adopted the ZEV standard over a decade ago when there were both far fewer EVs available to sell and when California's ZEV
credit bank was much smaller.

The use of a proportional bank would also mean that manufacturers would receive double credits for vehicles sold previously in California, essentially double counting past action with no environmental benefit to Minnesota.

The MPCA has analyzed this recommendation and believes our proposed approach is reasonable and strikes the right balance.

The early action credit mechanism would encourage more electric vehicle deliveries sooner and the one-time allotment addresses manufacturers' concerns and provides at least one year of credit as a buffer, but is unlikely to substantively reduce the number of EVs expected.

We believe our proposal effectively addresses the concerns raised by commenters while still ensuring the ZEV standard will require growth in EV deliveries to Minnesota.

I'd like to spend a moment describing how the effective date of the LEV and ZEV standard in the rule works. As I described earlier, the Clean Air Act allows the federal Environmental Protection Agency, or EPA, to give California a waiver that allows the State to write vehicle emission standards that are more
protective than the federal standards.

This then allows other states to
choose to adopt the alternative, more protective
standards designed by California instead of the backstop
federal standards.

At the moment there's not an
effective waiver in place from the EPA for the LEV and
ZEV standards. This has not changed since 2019 where we
do anticipate EPA will restore the waiver in the near
future.

Since if MPCA adopts the Clean Cars
Minnesota rule it is likely that we would do so before
the EPA waiver is enforced, the rule has been written to
delay the effective date until the MPCA publishes a
notice in the state register indicating a change in
waiver status.

So, if the rule is adopted the
proposed voluntary early action credit mechanism would
go into effect, but the LEV and ZEV standards would not.
This is because the LEV and ZEV standards are subject to
the EPA waiver and it is likely that the EPA waiver will
not yet be in effect at the time of adoption.

The MPCA then proposes to provide
additional notice once the EPA waiver issue is resolved,
that the LEV and ZEV standards will go into effect.
This does not mean that manufacturers will have to comply the next day. Under the provisions of the Clean Air Act, in fact, it means that manufacturers will have at least two years before they must begin to comply.

Our notice of effective date will also indicate which vehicle model year will be the first effective model year. We recognize that this provision is unique, but we developed it in consultation with rules experts across state government.

We think it is reasonable because it provides manufacturers with certainty and notice, while also allowing the MPCA to implement our voluntary early action credit program.

The MPCA is proposing to incorporate several provisions of California's regulations using a common rulemaking tool called incorporation by reference.

This means that instead of copying and pasting language from other sources, an agency can instead provide a reference to that source material, provided that the source material is conveniently available to the public.

The proposed rule language uses as amended in order to ensure that the rule is kept up to
date with any minor housekeeping updates that could occur in the California code.

    We have heard from many commenters on this topic, so I want to clarify that as amended does not mean that new emission standards, a new LEV or a ZEV will be incorporated by this rule.

    We have been clear throughout the rulemaking process and in our SONAR that any new future California emission standards will be housed in new rule parts and not captured by this incorporation by reference.

    Any new emission standard adopted by California would have to be reviewed and considered by the MPCA in the context of any new future federal standards.

    If MPCA were to believe that the future of California emission standards were needed and reasonable for Minnesota, the Agency would need to pursue a new rulemaking process at that time.

    The MPCA has received comments identifying concerns about impacts to dealers along Minnesota's borders with other states. Currently there is no difference between LEV certified and federally certified vehicles.

    However, it is possible that in the
future manufacturers may supply cleaner, more efficient vehicles for sale in LEV states and less efficient vehicles in other states.

   Dealers expressed concerns that many of their customers come from neighboring states to purchase vehicles and that they might lose those sales if in the future there's a difference in up-front price resulting from the difference in the federal standards and the LEV standard.

   To address this concern the MPCA is proposing to allow dealers to carry vehicles that are not LEV certified to sell for registration out of state.

   Dealers have also expressed concerns that if up-front costs for new vehicles sold in Minnesota are higher than those in neighboring states, dealers could lose sales from Minnesotans going out of state to purchase less expensive vehicles.

   However, existing Minnesota law requires vehicles registered in Minnesota to comply with applicable vehicle emission standards.

   This means that beginning in the first model year, only new vehicles certified under the LEV standards would be allowed by the Department of Public Safety and the Division of Driver and Vehicle Services to be registered in Minnesota.
Therefore, a new vehicle purchased in a different state would need to be LEV certified to be registered in our state.

As part of the rulemaking process the MPCA analyzed a wide range of potential costs and benefits of adopting the rule, which are presented in the SONAR.

The MPCA's analysis shows a wide range of benefits including reductions in greenhouse gas emissions and other harmful air pollutants and increased electric vehicle availability.

We have received a lot of questions and comments on the potential costs to consumers related to this proposed rule, so I want to take a minute to address those concerns.

First, I think it's important to remember that LEV certified vehicles are already what's for sale in Minnesota dealerships and have been what's for sale for the last eight years.

However, a potential cost difference could occur if in the future auto manufacturers begin producing two different models, one cleaner, more efficient model for LEV states and one higher emitting model for non-LEV states.

MPCA analyzed the potential impact to
consumers of this possible price difference and found that there is a negligible difference in terms of cost or benefit for most consumers.

Our analysis indicates that there could be a potential average up-front purchase price premium for a new LEV certified vehicle of between $900 and $1,200 compared to an average federally certified vehicle.

However, our analysis also estimates that the average Minnesotan who purchases a new LEV certified vehicle would save nearly $200 in fuel costs annually compared to a federally certified vehicle.

Thus, over the lifetime of the vehicle there is essentially neither a cost, nor a benefit to the average consumer.

When it comes to purchasing a new electric vehicle the benefits are even clearer. While currently there is a price premium for battery electric and plug-in hybrid vehicles, even now purchasers of new EVs save money from fuel and maintenance over the life of the vehicle.

Our analysis estimates that while plug-in hybrid EVs are likely to continue to have a higher up-front purchase price than conventional vehicles, battery electric vehicles will reach an
up-front cost parity with conventional vehicles in model year 2028.

That means that consumer benefit is likely to grow as battery technology costs continue to decline. Again, I think it's helpful to remember here that costs and benefits of the ZEV standard would only occur to consumers who choose to purchase an electric vehicle. And the rule does not require individuals to purchase an electric vehicle.

The MPCA started this rulemaking process in October of 2019 with the Agency's initial request for comment. Since then we have been talking to and hearing from Minnesotans from all over the state. We held seven public meetings in communities around the state to share information and hear from Minnesotans. We have held five technical webinars to share details of the rule proposal, learn from other states, and share our analytical methods.

During the initial comment period we received over a thousand written comments and over 1,400 survey responses. We're looking forward to continuing to hear from you all today and over the coming weeks.

Climate change is a complex problem that will require action at the individual, local, state, national and international levels across all
parts of our economy. No single action can turn the
tide of climate change.

The cumulative power of many actions
being taken together will be required to address this
complex challenge. Each action spurs progress and
further action.

In this case we must act to reduce
greenhouse gas emissions from passenger cars, light-duty
trucks and medium-duty vehicles because transportation
is the largest source of greenhouse gas emissions in
Minnesota and these vehicle types are the largest source
of greenhouse gas emissions within that sector.

There are a variety of tools
available to advance EV adoption and reduce
transportation emissions. Some are the purview of state
agencies and some are not. Adopting the ZEV standard is
one tool in the toolbox available to the MPCA under our
statutory authorities and the Clean Air Act.

Adopting the ZEV standard is one
action among many that are possible and does not
preclude other actions to support EV adoption or to
reduce emissions in other ways.

We've received lots of comments
suggesting other ways to reduce greenhouse gas emissions
from transportation, especially including the use of
biofuels.

We've also received many comments suggesting other ways of bolstering electric vehicle adoption in Minnesota, including through purchase incentives and additional investments in EV charging stations.

Some of those actions are things that are already being supported in other work by the State and our partners and some are things that would require additional policy funding or regulatory actions.

Adopting Clean Cars Minnesota can work hand in hand with these other possible actions and the MPCA recognizes the need for a portfolio of actions to reduce emissions.

So, with that, thank you again for joining us today. And this concludes the Agency's presentation, Your Honor. Thank you.

THE JUDGE: Thank you. If I could have the next slide?

AMANDA JARRETT SMITH: Yes, excuse me.

THE JUDGE: What we're going to do is, because we've been running for about an hour here and we're transitioning to a new phase of the hearing with the comment period starting, this is a good time
for us to take a brief break for about ten minutes.

    Please remember to put yourself into
the queue if you would like to comment, it's a good time
to do that while we're on the break.

    And then I'm going to have the PCA
identify -- actually, let me find out, is there a way
that the Agency can go ahead and identify maybe the
first five people that are in the queue so that when we
come back with the comment period, those folks know that
they're up or soon to be up to comment?

    David Troy, Kathy Rogers, and then I
might mess up this name, I apologize, it looks like
Jukka Kukkonen, Ellen Wald, and Tom Valois. And again,
I apologize if I'm mispronouncing any names.

    David Troy, Kathy Rogers, Jukka
Kukkonen, Ellen Wald, and Tom Valois will be our first
collectors when we come back from the break.

    Again, if you would like to comment
and you are using Webex, I encourage you to put your
name and information into the Q and A box and ask to be
placed in the queue.

    If you are participating by phone,
please press Star 3 and then email
cleancarsmn.pca@state.mn.us to be placed in the queue,
providing your first and last name and your phone
number.

So, we are going to go on a brief break now for about ten minutes to give the court reporter a little bit of a chance to take a break and we'll come back at 4:14.

So, please be prepared, those first five folks who are interested in speaking, be prepared to go starting at 4:14 when we come back on the record. So, we are adjourned for ten minutes and we're on a break. Thank you.

(At this time a brief recess was taken from 4:04 p.m. until 4:14 p.m.)

THE JUDGE: I'm going to go back on the record now and we'll begin with the public questions and comments phase of this proceeding. There are quite a few people who have added themselves to the queue. We identified the first five of those folks and I am going to turn to that list of folks initially.

I'll note that it's important to remember that you can make a comment, you can also ask a question of the Agency. I'm going to rely on the Agency to identify the appropriate person to respond to any particular question because I'm not certain who necessarily is the best responder to each of those.

So, if you have a question for the
Agency please let us know that and then we'll figure out who's the best to answer your question. And then, you can also make a comment.

And please also remember that you need to state your name and spell your first and last name, particularly because I am not the best at pronouncing names, so if you can help me out and help the court reporter out with that, that's very, very helpful.

So, what I'm going to do is for right now I'm going to have the slide show come down off of the screen, if we can remove that so we just have the video presentation going.

And then, our first commenter is going to be Mr. Troy. And I can see Mr. Troy has his camera on. You are now unmuted, it appears.

So, Mr. Troy, go ahead and state your name and spell your first and last name, let us know if you're here representing anybody in particular, other than yourself, and you can make your comment after that.

DAVID TROY: Thank you, Your Honor. My name is David Troy, D-a-v-i-d, T-r-o-y. I'm a resident of Ramsey, Minnesota. I'm not representing any organization. However, I was previously in charge of electric vehicle marketing for a large Twin Cities
dealership, which is the position I will speak from today.

Chevrolet introduced a Spark EV electric vehicle in 2013, but only in California and Oregon. Minnesotans were disallowed from purchasing this model all the way through its end in 2016. Why? Because Minnesota wasn't a clean car state yet.

Chevrolet began delivering their second version of the popular Chevy Volt PHEV to customers in October of 2015, but only in states that had adopted the Clean Car rules. Minnesotans were never allowed to buy a brand new 2016 Chevy Volt.

We first received them in March and it was a 2017 model year version. Why? Because Minnesota wasn't a clean car state yet. Chevrolet began delivery of its first all electric U.S. model, the Chevy Bolt EV, in December of 2016.

Again, guess who was left out? Minnesotans were, again, not allowed to buy this exciting new release from a big brand manufacturer. When did us excited Minnesotans finally get to take delivery of our Bolts? September of 2017, a full nine months later. Why? Because Minnesota wasn't a clean car state yet.

By the way, Minnesotans weren't even
allowed to travel to other states to buy these cars. They couldn't have them shipped here by the dealerships.

Dealerships in states that were selling them were told they were not allowed to trade them to other dealerships, they couldn't sell them to the public or send them anywhere outside of their states.

Minnesotans were literally banned from buying the Bolt EV for nine months. And luckily my dealership paid full price for a Bolt EV through a California resident who was nice enough to send that to us. So, we were able to show the Bolt EV to Minnesotans who were very eager to see it.

My dealership spent roughly $200,000 to improve our infrastructure. This allowed for massive EV charging. We were planning on a big feature of EVs. And as of today with limited releases, that hasn't necessarily come to fruition yet, hopefully we'll get there.

Isn't it time to join the other 14 states to encourage manufacturers to include Minnesota in the new releases? Don't us Minnesotans deserve equality in America's EV marketplace? Minnesota should be a clean car state now. Thank you.

THE JUDGE: Thank you very much,
Mr. Troy. We'll move to the next person on the list then, who was Kathy Rogers. If I can have you -- you should be able at this point to turn on your camera.

    KATHY ROGERS: Can you hear me?
    THE JUDGE: I can hear you. Are you participating by phone or --
    KATHY ROGERS: I'm trying to get my camera going.
    THE JUDGE: It takes a minute to exchange, I think. State your name, spell your first and last --
    KATHY ROGERS: My name is Kathy Rogers, K-a-t-h-y, R-o-g-e-r-s. And I am a 25-year resident of Minnesota, but I was born and raised in California. And all my family is still there.
    And I've seen firsthand the devastation of climate change in that state. My family and friends have experienced droughts, evacuations and months and months of dangerous smokey air.
    I've seen firsthand that climate change is real. And for that reason I will only buy a car with a plug. Good luck in finding a car with a plug.
    Two years ago I decided to buy my first plug-in hybrid, which is a Prius Prime, which has
an electric range of 25 miles, which was perfect for me because my commute was eight miles.

So, I could drive on electricity almost every day. I probably bought gas once every four months. And that was two years ago. When I tried to get one in Minnesota they were all gone.

So, to buy this car I had to go on to cars.com. I had to fly to Baltimore, pick one up in a dealership in Northern Virginia where there were plenty of them and then drive it home. That's how I got my first plug-in car.

And now here I am two years later and I want to buy another one. This time I want to buy a Honda Clarity, which has a 50-mile range, a plug-in hybrid as well, but there's no way I can get it in Minnesota. Nothing has changed.

I called a Honda dealer and they don't stock them here in Minnesota. I asked if I could get one shipped to me. He wouldn't ship it to me. So, here I am again, I'm going to have to fly to either of the coasts and drive the car back and buy one on the coast because they won't sell them in Minnesota.

And for some reason with COVID and all that, I can't get out to the coast. Then I'm going to buy one from Carvana or Vroom used and have it
shipped to me.

   Either way, no Minnesota dealer is
going to get my money. And I am going to buy a car with
a plug. So, I hope that when these standards are
adopted that I won't have to take a flight to buy a
clean car. That's all. Thanks.

   THE JUDGE: Thank you very much. And
we have two more speakers to get ready, Sam Benson and
John Hausladen, when we're done with our initial five,
you'll be up next after that.

   The next speaker is Jukka Kukkonen.
Please correct my pronunciation and spell your first and
last name for us.

   JUKKA KUKKONEN: Good afternoon, Your
Honor. My name is Jukka Kukkonen, J-u-k-k-a,
K-u-k-k-o-n-e-n. And I would like to thank you for this
opportunity to share my perspectives.

   I have driven EVs for over eight
years now and I'm an automotive industry professional
and I teach EV market and technologies at the University
of St. Thomas.

   I think the Clean Cars MN rule is
needed and reasonable. The LEV portion is well
justified since it only keeps in place the emission
standards that were the law nationwide until Trump
administration rolled those back. So, LEV portion is just making sure our emission standards are not weakened.

ZEV part is also important. All the manufacturers have had eight years to bring EVs well available in Minnesota and only a couple of them have done so by now.

There are hundreds of light-duty vehicle make and models available in the U.S. and we have currently only a dozen EV models available in Minnesota.

If we compare this to Europe, they have over a hundred EV models available there. And that is why they are seeing rapid growth right now.

We are expecting 17 new EV crossover SUV and pickup truck models to hit the U.S. market this year, but we have no idea which of those will be available in Minnesota.

This rule sends a clear signal to all the manufacturers that Minnesota wants access to all of these latest models. This also helps Minnesota's other dealers because it increases their EV availability for them. And that way they can compete with Tesla, Rivian, Lucid and other EV manufacturers in the future.

From technology perspective, it is
crystal clear that electric drive train will replace internal combustion engine because it is just better technology. EVs use less energy, have more power, are more responsive, need less maintenance and are cheaper to own and drive.

They can also be powered in our own garages with locally produced energy, so more money stays in Minnesota.

Rapidly developing better technology is also increasing range numbers. Average range for EVs sold in the U.S. last year was already over 250 miles.

For years both Europe and U.S. markets were seeing slow EV growth even though consumer surveys in both continents were showing about 30 percent of people were considering buying EVs.

All the industry was talking that they were not sure if there's demand, but when Europe increased their emission standard just last year, manufacturers needed to bring EVs to the market, they learned that the demand was there.

EV market share in Europe tripled from 3.3 to 10.2 percent last year and they sold 1.4 million EVs. Now the auto industry forecasts EV market share in Europe will be 40 percent in 2025.

Even my country of origin, Finland,
which is larger, less densely populated and colder than Minnesota has seen strong growth. Their EV market last year was 16 percent. So, if this can happen there, it can for sure happen in Minnesota, too.

So, Clean Cars Minnesota is a small step in right direction and provides automakers plenty of time to comply. It doesn't require them to do anything until 2024 and still is giving them one year worth of free credits, which I think is totally unnecessary because it allows them to further postpone their action.

Other manufacturers could reach these sales already this year if they wanted to. Last year we had some auto dealers in Minnesota with EVs at 10 percent of their sales.

And Tesla that sells 100 percent EVs increased Minnesota market share from 0.9 percent to 1.1 percent. Tesla sells now more light-duty vehicles in Minnesota than Audi, Chrysler, Lexus, Lincoln, Mercedes, Mitsubishi or Volvo.

So, auto industry is important for U.S. And if we don't accelerate our transition to new technology European and Chinese manufacturers will be happy to take care of this growing market.

I would like to make sure that U.S.
companies don't fail because they could not transition to the new tech in time. And local industries, rest assured, that no matter how much we work on this, it will be a slow transition.

We have over five million internal combustion engine vehicles in Minnesota right now. This rule will only require automakers to make sure that about 6 percent of their sales are this market in 2024 and 8 percent in 2025.

If we would continue with similar annual 2 percent point increase, trajectory from there it would take 60 years to replace our fleet of oil burners with electric vehicles, which can be powered with renewable energy.

So, industries have plenty of time to adjust to this cleaner future. Thank you.

THE JUDGE: Thank you very much. And Ellen Wald is our next speaker. If you could state your name and spell your first and last names.

ELLEN WALD: My name is Ellen Wald, E-l-l-e-n, W-a-l-d, as in David.

THE JUDGE: Thank you.

ELLEN WALD: And I'm not representing any organization, but I am a nonresident senior fellow at the Atlantic Council's Global Energy Center.
And I'm going to be addressing the zero-emissions vehicle portion of the regulation. And I'm going to speak about why this regulation is not reasonable for Minnesota, both for economic and environmental reasons.

The regulation would adopt California's zero-emission vehicle standards without consideration for differences between consumer needs in Minnesota and those in California.

It would require car manufacturers to send essentially the same percentage of EVs to Minnesota as to car dealerships in California. But car purchases look very different in Minnesota than those in California.

And the current selection of EVs available are also not compatible with the needs of Minnesota's consumers. Currently EVs make up one and a half percent of total vehicle purchases in Minnesota, that's about 2,000 a year. And only 5 percent of Minnesota residents say they're very likely to even purchasing an EV.

Part of this has to do with the type of vehicle. Minnesota residents buy a higher percentage of larger vehicles, like trucks and SUVs, than California residents do. And these vehicles are not yet
available in EV form. There may be some projected to come on the market later, but those are not available. There are range and climate issues. Minnesota's climate is not well suited to EVs. EVs tend to lose their range in the cold and also because the battery's power can be sapped by needing to heat the vehicle because the vehicle cannot be heated from the warmth of the engine.

Minnesota also lacks appropriate infrastructure to support EV adoption. There is no DC fast charging stations at all in the southwestern part of the state. And consumers are unlikely to purchase an EV if they believe they will not be able to charge that vehicle on longer range trips.

They're also too expensive for most families to afford. In 2019 the average cost of a consumer EV was 55,000 -- or just over $55,000. While the average retail price for all consumer vehicles, including EVs, was only $36,000.

So, that means that a new zero-emissions vehicle would cost a consumer more than one and a half times as much as an average new car purchase.

And further, the 2020 cost parity cited by the Agency is based on a model that will not
necessarily come to pass. We cannot base -- these kind of predictions are based on forecast that may or may not come true.

So, the mandate will end up making the cost of all vehicles more expensive for Minnesota residents. Car dealerships would likely end up with over 18,000 electric vehicles dropped into their lots annually.

And that will end up raising the costs for vehicle purchases for all Minnesotans, even those who don't want to purchase an EV because there will be further internal combustion vehicles available for supply, the price will rise.

The higher prices for new cars will also raise the price for used cars because people will choose to buy used cars, raising demand on a limited supply.

Dealerships that sell new cars will have to hold onto their lots for lengthy periods because if the electric vehicles are not selling and then to meet expenses and profits they will have to raise the cost of cars that do sell.

So, it will artificially push the price of vehicles higher for Minnesota residents. And especially at this time of economic and social hardship,
it would strain the budgets of Minnesota households. When talking about the environmental aspect, the zero-emissions vehicle standard is not going to necessarily reduce greenhouse gas emissions because the EVs will all be charged on Minnesota's grid.

And just because you can't see the emissions happening doesn't mean that they're not happening. If you check the EIA, you can see that -- if you look at the EIA website you can see that Minnesota's grid draws at least 50 percent of its power from burning coal.

So, unless Minnesota drastically changes the mix of its power generation, Minnesotans who charge their EVs on that grid will essentially be running their cars on coal, which is the least clean fuel type that we have available to us today. Thank you for your time.

THE JUDGE: Thank you very much. The next person to speak is Tom Valois. And then after that is Sam Benson and John Hausladen. If I can get the Agency at this time to post the next few who will come after them.

And, Mr. Valois, state your name, spell your first and last and tell me if I'm pronouncing it correctly.
TOM VALOIS: Thank you, Your Honor. Can you hear me?

THE JUDGE: I can, thank you.

TOM VALOIS: My name is Tom Valois and that's spelled T-o-m, V-a-l-o-i-s.

THE JUDGE: Thank you. You may proceed.

TOM VALOIS: Thank you. Hard act to follow the last speaker because there were so many things that she said that were incorrect, but I will stick to my script. And hopefully other people behind me will correct her fallacies.

I am not representing any entity except myself. I'm a lifelong Minnesota resident and an EV owner for the past five years. I strongly support Clean Cars Minnesota.

My wife and four children are all EV enthusiasts and we have driven our four electric cars over 75,000 clean miles.

Both of my 20-something sons' first car purchases were EVs because they grew up driving and loving our family's EVs. They wanted to tell their future children they never purchased a polluting gas vehicle and did their part to reduce CO2 emissions.

I have other family and friends who
want to buy an EV after test driving my cars, but they can't purchase the vehicles they want locally because many models are sent only to California and other clean car states. Several of them have unfortunately settled on hybrid versions of the car they wanted.

Clean Cars Minnesota would give a significant number of car buyers in Minnesota who are interested in EVs the opportunity to sit in and test drive a much wider variety of makes and models.

Right now EV availability is poor to nonexistent at many dealers and we need to change that. A test drive is really all it takes to get people interested. And that's what made me fall in love with my first EV.

Sadly the long-term cost of internal combustion engine vehicles to the economy, health and welfare of the citizens of the state of Minnesota is not being captured and we need to accelerate the adoption of EVs as quickly as possible.

Electric cars are better vehicles in every way, especially for the driver's safety, user experience and total cost of ownership, but especially for protecting the environment that we all enjoy here in Minnesota.

Minnesota should do everything it can
to offer citizens an opportunity to choose an EV that fits their needs. And there are many, many SUVs and trucks coming in the next four years.

A vital economic aspect of EVs is they keep electric fuel purchase dollars within Minnesota. Another benefit is our electric utilities are moving away from coal and adding clean renewable electricity production every day.

So, EVs get cleaner every day they are on the road, unlike ICE vehicles, internal combustion vehicles.

Finally, used EVs are some of the most affordable cars to purchase and operate. Even though Clean Cars Minnesota rules apply only to new vehicle sales, it would have an impact on the number of used EVs available. We first need to bring in new EVs to the state to begin to build a healthy used EV market.

And just one other comment, the two EVs I bought, one was seventeen-five brand new because of incentives, and the second one, the Bolt, the 2020 Bolt I bought a year ago was about 25,000. That is well under the average price of a car right now. Thank you for your time.

THE JUDGE: Thank you. I have --

KATIE IZZO: Sorry, Your Honor,
before we move on can Joe Dammel break in with a few technical announcements?

THE JUDGE: Yeah, let's take a moment.

JOSEPH DAMMEL: Thanks, Your Honor. We just have a few housekeeping things for participants and a few questions for you. One, we had a question from a commenter posted during the slides that describe how to enter written comments on our website.

I just want to mention that we will be posting the presentation on our website very soon. And if folks need to -- need that information sooner we also have the information on how to post to e-comments on our website and onto the e-comment site that you provided as well. So, just wanted to address that first.

The second issue is that for some folks, depending on the browser they're using, they might not have a start video option.

We're aware of this and there's nothing we can do on our end, but those folks should be able to present using audio. So, I just wanted to flag that, we've heard from a few people that they haven't seen that.

And then, the third and last thing I
wanted to bring up is that several people may have a
time certain that they need to present within today.

    And I just wanted to ask if we can
try to accommodate those folks on our end, if they can
let us know through the queue, I just wanted to raise
that with you to see what your preference is, Your
Honor.

    THE JUDGE: I generally tend to try
to take people in the order that they registered to
speak in the queue. I recognize this is a long haul
sort of hearing and it might be that some folks are not
able to stay until the evening.

    I do want to try to accommodate
people if we can. So, if you have a time certain in
which you need to be off the call and we can accommodate
that, I'm happy to do it.

    I do want to remind you, if you have
a time constraint today and you have more freedom
tomorrow, we will gather again tomorrow and do all of
this over again. So, it will be a second opportunity to
comment orally at that hearing.

    And also remember that whether or not
you comment today, you can always file a written comment
with me and those will be considered in exactly the same
way as if you were speaking today.
So, if you have a time constraint
that you would -- and I'm not promising we'll
accommodate it, I'm promising that we'll try. So, if we
are able to accommodate that I'd like to try to work
through those.

You can post that in the Q and A and
the Agency can start to match that up with folks who are
in the queue and sort of facilitate that.

And I'm happy to do that with the
understanding that my goal is to get through, if we can,
everybody today who's indicated an interest in
commenting. And I want to be respectful of those of you
who are just sitting in the queue.

I guess that's my long winded we'll
try. So, if you put it into the Q and A we'll try to
work with you.

JOSEPH DAMMEL: Thank you, Your
Honor.

THE JUDGE: All right. Mr. Benson
was up next. Generally, as you are approaching the
queue when it's time for you, the Agency will enable you
to turn on the camera. If you can turn it on, that's
fine. And if you can't, that's fine, too.

People who are here on the phone are
not going to be able to turn on video camera today.
There's no reason you can't just comment orally without turning your camera on, if you're unable to.

Mr. Benson, you are next, thank you for waiting patiently. State and spell your first and last names, please.

KATIE IZZO: I believe Mr. Benson left the Webex.

THE JUDGE: I apologize. So, what will happen then is if you are in the queue and you have left, then we'll try to circle back around to you, but we can't guarantee that we'll be able to get you in right when you rejoin the call.

So, Mr. Hausladen, you are next. If you could state and spell your first and last names.


We are a statewide trade association representing over 600 trucking companies and their allied members. Our members have a long-standing commitment to put the safest and most environmentally friendly equipment on the road.

Many fleets turn over their equipment every three to five years, constantly monitoring new
technology that they can adopt. And I am proud to say that 43 percent of U.S. commercial trucks are now powered by the newest generation of near zero emissions diesel technology.

I believe that the proposed regulation to adopt California's vehicle emission standard does set a terrible precedent.

The MPCA is using statutory authority granted to it by the legislature in 1967 to bypass the legislative process and allow California to regulate passenger and medium-duty vehicles.

If this is allowed there is nothing that would prevent the Agency -- pardon me, my screen jumped here. There's nothing that would prevent the Agency from using the same authority to adopt California's heavy-duty truck regulations in the future.

Though the proposed rule does not currently include heavy-duty Class 7 and 8 commercial trucks, by linking our policies to California we are on a clear path to do just that.

And as you know, California is working to develop regulations that outright ban all diesel powered heavy-duty commercial vehicles by 2045 and sooner in some locations.

Besides setting a terrible precedent
using the rulemaking process to adopt California standards also severely limits the scope of the policy decisions that need to be addressed.

Now, from a trucking perspective we have seen the California Air Resources Board regulations make it financially unfeasible to work there for some fleets. Top rate in 2021 diesel powered tractor trailer in California, trucking companies spend at least an additional $3,500 per unit.

And these increased costs have caused some of our members to simply stop picking up and delivering freight in California.

While the rulemaking process recognizes the cost of effective classes who must comply with the rule, it does not offer the opportunity to enact corresponding fiscal policies to offset those increased costs, nor does the rulemaking process count for the lost opportunity cost or the depreciation cost of new technologies like all the electric trucks.

However, with regard to medium-duty trucks the Statement of Need and Reasonableness and the technical support document make no estimate on how much the cost of those vehicles will increase.

This is a miss by the process. They only provide numbers for passenger cars and light-duty
trucks. And we feel it is unreasonable to move forward with these regulations since the Agency did not delineate the cost for medium-duty trucks.

As seen in this rulemaking the Agency doesn't worry about the increased cost of compliance for manufacturers and dealers because it believes that the costs will be passed along to the consumer.

And what I can tell you with confidence is that shippers do not pay companies based on the type of fuel or equipment that a fleet uses. Trucking companies will be paid the same rate per mile and be very hard pressed to pass on these costs.

Minnesota based companies are put in a competitive disadvantage when our costs exceed those of trucking companies in surrounding states who do not have to comply with California regulations.

Because of its limited scope this rule doesn't address the challenges and costs associated with increased electrification, which are magnified when applied to trucks.

Vehicle range is a major concern, providing fast and predictable recharging is both massive and costly, long charging times cut into vehicle productivity and equally critical is employing repair facilities and technicians equipped to service electric
vehicles.

Car and truck electrification simply will not work without the proper infrastructure, yet none of that is contemplated in what is before us today in this rulemaking.

It is unreasonable to move forward with a policy when the logistics and practical applications "fall outside the scope of the rulemaking."

Will electrification play a role in the future of cars and trucks? Of course, but it is my frank opinion that certain vehicles like trucks will be powered by diesel fuel for a long time to come. And to have California tell us elsewhere is folly.

We believe that any changes to Minnesota's vehicle emission standards should be vetted through a vigorous legislative process that can contemplate all policy implications, not just those directly tied to the Agency rulemaking.

Incentives rather than mandates should be the basis. And most importantly, it should fit Minnesota's unique economy, climate and geography and not be tied to a state like California.

Thank you for the opportunity to share these comments.

THE JUDGE: Thank you very much.
Going back now to the Q and A, I'm seeing that there
maybe was some readjustment of the queue as we went.

I had Sam Benson and now someone is
on, John Benson, I'm wondering if that's the same person
and you just rejoined? Can anyone tell me?

JOHN BENSON: Yes, that is correct.

THE JUDGE: Let's get back to
Mr. Benson because we missed you in your slot. And if
you could state your name, spell your first and last
name, we'll go ahead and take you now.

JOHN BENSON: I appreciate you
letting me share. My name is John Benson, J-o-h-n,
B-e-n-s-o-n. And I'm on staff with an organization
Minnesota Interfaith Power and Light.

We work with faith communities from
across the state. We care deeply about protecting
creation and caring for our natural world.

Clean Cars Minnesota would be an
important step for reducing car emissions and improving
air quality in our state. Many of our members are also
interested in becoming EV owners.

Clean Cars Minnesota will help expand
their choices when shopping for electric vehicles and
help keep their consumer dollars in our state.

Our members from Woodbury to
Minneapolis to St. Peter to Duluth and so many other communities have expressed their support for Clean Cars at the initial public hearings and through the comment process.

Our organization is engaged in the rulemaking process and has witnessed the Agency take the legally mandated steps necessary. We strongly believe the Agency has demonstrated the necessary need for the rule and gone through the necessary procedures.

We strongly support Clean Cars Minnesota and look forward to it being implemented.

Thank you.

THE JUDGE: Thank you. I'll note that there was a question in the Q and A about how to comment and that the Agency staff has put in the link to show how to comment, that information is there.

And in a little bit when we take a break I'll flash up that slide again and we'll let that slide sit during our break so everyone will have that information as well.

Again, the information is in the hearing notice that contains the Webex login information for today and that is on the Agency's website as well. All the different ways that you can comment are in that hearing notice.
So, the next person that I have on my list is Michael Brooks. If I can have Mr. Brooks, if you are able to turn your camera on, that's great. And also I want you to unmute yourself. It's possible that maybe we need to have the host unmute Mr. Brooks.

Mr. Brooks, why don't you say something and let me see if I can hear you?

MIKE BROOKS: Yes, this is Mike Brooks.

THE JUDGE: Now, I can see you. If you can state your name and spell your first and last names, please.

MIKE BROOKS: Good afternoon, Your Honor. My name is Mike Brooks, M-i-k-e, B-r-o-o-k-s. My wife and I live in Owatonna and we own two EVs. We have a '14 Chevy Volt, which is a plug-in hybrid electric vehicle. We've put 98,000 miles on this car, of which 62 percent has been fully electric.

We also have a 2019 Chevy Bolt, which is a battery electric vehicle. We've put 38,000 miles on this car and, of course, it's fully electric. So, between those two cars we've driven 99,000 miles fully electric or on the batteries.

We have driven our Bolt, the fully electric Bolt, through three winters now and we have not
had a problem. Yes, there is a reduction in range, but fortunately the fast charging network is developing quickly. We actually have a new fast charger in Owatonna.

Regarding the Minnesota grid and the cleanliness of -- regarding greenhouse gasses, the utilities are announcing and they're planning to shut down coal plants and transitioning to renewable sources.

So, there's a very legitimate reduction in greenhouse gasses with these cars today and especially in the future.

We've had our Bolt for two and a half years, like I said, 38,000 miles, and our only service or maintenance has been rotation of the tires and adding windshield washer fluid. It has been very reliable and maintenance free. We love these two EVs, especially my wife.

My motivation for having these two EVs and supporting Clean Cars Minnesota is to reduce greenhouse gas emissions and limit global warming as much as possible.

I really don't expect global warming to affect me in my life, but I'm very concerned about the negative effects on our future generations. My wife and I have six grandchildren from ten-year-old Gabriel
to Ezme at seven months old. I want them to have and their entire generation to have as good of a natural environment as I enjoy.

In a few years I hope to purchase an EV pickup truck and I certainly hope that all of the EV pickups being sold are available in Minnesota. Thanks for your time.

THE JUDGE: Thank you. I have a clarification question, just for the court reporter, I want to make sure. Because Volt and Bolt sound very similar to each other. And I think that you used both of those. Your 2014 is that V-o-l-t or B-o-l-t?

MIKE BROOKS: That's a V-o-l-t.

THE JUDGE: And your 2019 was that a B-o-l-t?

MIKE BROOKS: Yes, correct. We traditionally buy red cars. When we bought the 2019 we bought a blue one. So, now my wife and I can say, "I'm taking the blue car."

THE JUDGE: Excellent. Thank you very much for your time.

MIKE BROOKS: Thank you, thanks for your time.

THE JUDGE: Our next commenter is going to be Kathleen Doran-Norton. If I can have you
 unmute yourself and turn on your camera, if you are able.

        KATHLEEN DORAN-NORTON: Does that work?

        THE JUDGE: If you are Ms. Doran-Norton, I can hear you, I cannot see you yet. Sometimes there's a bit of a delay. Now I can see you. Excellent. If you could state your name and spell your first and last.

        KATHLEEN DORAN-NORTON: Sure. Kathleen Doran-Norton, K-a-t-h-l-e-n, D-o-r-a-n-N-o-r-t-o-n. And I'm speaking for myself.

        The big welcome to Minnesota highway sign at the state borders show the three biomes that have existed for tens of thousands of years, the big woods, the great prairies, and the north woods.

        I live at the intersection of those three. At least I did when we moved here 25 years ago. Climate-wise my home has been moving several hundred feet south every year. Scientists expect I'll wind up in Central Missouri where I lived years ago. I think that's unreasonable.

        More than one out of eight trees in nearby Big Woods State Park have died because of more frequent and heavier rains. That's unreasonable.
I was a Bridgewater Township supervisor for a dozen years. In 2012, '13 and '14 we had three consecutive years of 200-year floods. We probably spent a half million dollars of FEMA, state, county and township funds to fix roads and bridge damage.

For over a year my town hall was full of residents angry about the damage to their homes and foundations, their wells, their septic systems, the eroded gullies in their yards.

And in response my township spent 1.3 million dollars in -- to avoid future flooding, creating berms, retaining ponds and wetlands protecting our township and nearby cities. We are already paying a climate tax, that's unreasonable.

I did what I could to protect my community from the impacts of climate change. Help me make a difference in its cause. 25 percent of Minnesota carbon emissions are from cars.

This change is reasonable, slow, steady and deliberate. I'm ready to buy a car soon, but the cars I'm interested in aren't sold here in Minnesota because we don't have LEV and ZEV standards. That's unreasonable.

That F150 EV looks pretty sweet
coming out in a year or so. I'd like to buy it local. I'd like to buy it in Minnesota. I support the Clean Cars rules, that's reasonable. Thanks.

THE JUDGE: Thank you very much. And our next commenter is Stuart Henry.

STUART HENRY: Thank you, Your Honor. Can you see me?

THE JUDGE: I can, I see you and hear you. Can you state and spell your name, please?

STUART HENRY: Yes, my name is Stuart Henry and it's spelled S-t-u-a-r-t, and the last name is Henry, H-e-n-r-y. Thank you, Your Honor, for this opportunity to testify.

I strongly support the Clean Car rule and I would like to address the necessity of the rule. Since 2017 I've driven a Nissan LEAF electric vehicle, which I bought used. It is a great car, it's quiet, accelerates quickly and requires very little maintenance.

I've never had a problem starting it even in the coldest days when it's been outside. I drive it during the day and charge it up overnight in my garage, which is incredibly convenient.

And because it has no tailpipe emissions and because Xcel's electric grid is becoming
cleaner, up to 80 percent reduction of emissions by 2030 and because EVs use power more efficiently, I have reduced my own carbon footprint significantly.

I've talked to a lot of people about my car and it is clear that people -- it is clear that car manufacturers are going to need to produce more options to create a demand for zero-emission vehicles.

People want SUVs and pickups. There are a few models available in other states, states who have passed the LEV and ZEV standards.

The Toyota RAV4 plug-in hybrid, which has a 42-mile all electric range, sells just a little over $30,000. It's not sold here. And then, some time next year Ford will start selling an all electric F150.

I'm sure it will take years to get that here as well. As much as I want these two particular models available to Minnesota, it's clear we need even more options in the future to reduce CO2 emissions from cars and light trucks to their needed levels.

To emphasize the necessity of the rule, I want to talk about what climate change has meant to my family. I have siblings in Oregon, they had to stay inside their homes for over ten days during a very hot summer in the middle of a pandemic because
unprecedented wildfires had made the air quality in Portland the worst in the world, worse than anything in China or India.

Also, my brother-in-law, nephew and little grand-nephews had to evacuate a river house in the middle of the night to escape oncoming fire.

My sister told me when they returned their house survived, but many neighbors were not so lucky. And the smell from all the animals who burned in the fire was overwhelming.

Climate change is happening now and it is already ruining air quality. We need auto manufacturers to step up to the plate to keep our air clean and to prevent the type of devastation my siblings have already experienced.

Please allow the MPCA to continue to move forward with the Clean Car standards. Thank you.

THE JUDGE: Thank you very much. Our next commenter is Kathleen Schuler. State your name and spell your first and last name, please.

KATHLEEN SCHULER: Your Honor, I'm Kathleen Schuler, K-a-t-h-l-e-n, S-c-h-u-l-e-r. And I'm here testifying on behalf of Health Professionals for Healthy Climate.

I'm a public health professional and
policy director with Health Professionals for Healthy Climate. We're a network of over 500 Minnesota nurses, doctors and other health professionals.

We support the Minnesota Pollution Control Agency's rulemaking to implement clean car standards to reduce and eventually eliminate greenhouse gas emissions from vehicles that contribute to adverse health impacts from air pollution and climate change.

We will submit formal technical comments in support of Clean Cars, but today I will provide a short summary of our written comments relating to the benefits of reducing air pollution.

The MPCA has presented an analysis of the health and economic benefits of clean cars. They're utilizing existing EPA models to estimate health benefits. They acknowledge that these methods probably underestimate the health and equity benefits of Clean Cars Minnesota. We agree.

The EPA models which MPCA used include estimating the benefit per ton of reducing PM 2.5 precursors from 17 sectors and they also use the Cobra model, which estimates health impacts using a screening tool.

So, these models are useful for estimating health benefits from reducing vehicle
pollution, but they have two main limitations. The first is they do not include many health endpoints that are associated with exposure to PM 2.5 pollution, such as cancer, diabetes, atrial fibrillation, hypertension, stroke, chronic bronchitis, adverse birth outcomes and effects on the kidney, liver function and developing brain. These can be costly and debilitating health problems.

The second limitation is these models do not consider other vehicle related air pollutants associated with adverse health impacts, such as ozone, nitrogen oxide, sulfur dioxide, volatile organic compounds, and carbon monoxide.

And I'll note one study that described the financial benefits of improved child health in California due to reducing air pollutants over a 20-year period, it was estimated at 1.6 to 2.6 billion dollars.

And it was resulting from reductions in post-neonatal mortality, asthma hospitalizations, ER visits, school absences, low birth rate infants, reductions in all of those health impacts.

Some but not all of these costs are considered in the EPA models that the MPCA utilized. The Agency also described the estimated health
reductions in PM 2.5 and therefore greater benefits for environmental justice identified communities.

So, these communities have higher air pollution, so the benefits are greater. And because of the limitations of the EPA models used the benefits of reduced air pollution to people of color and lower income communities who reside in high traffic areas are underestimated.

So, in summary, the Health Professionals for Healthy Climate concludes that greater health and economic benefits should accrue to all Minnesotans, especially people of color and lower income communities than those presented in the SONAR, making an even stronger case for implementation of Clean Cars Minnesota. Thank you for the opportunity to comment.

THE JUDGE: Thank you. I will note, it's very helpful if people have more extensive comments, please do file those written comments. And you can attach -- I think it's up to three attachments when you file your written comments, if you have more extensive comments to make, and you can also attach documents to those comments as well.

Our next commenter is Gary Schettl, if you can state your name and spell your first and last name.
GARY SCHETTL: Hi, Gary Schettl, G-a-r-y, S-c-h-e-t-t-l. Can you hear me and see me?

THE JUDGE: I can, thank you very much.

GARY SCHETTL: I live in Jordan, Minnesota with my family of five and I'm in favor of the Clean Cars initiative. My wife and I have been driving electric cars for over eight years now and we've accumulated over 250,000 all electric miles.

Because so few electric cars were available locally at the time, I had to travel to Las Vegas to buy our second electric car used. And I drove it back to Minnesota from Las Vegas.

I'm currently an electric pickup truck reservation holder. And I prefer seeing one and test driving it from a dealership lot before I buy it. Until we can get more of these electric vehicles on dealership lots, I'll be forced to take a risk and purchase the electric truck sight unseen.

I wouldn't expect first time electric car buyers to take such a leap of faith in unfamiliar technology. And this is where the Clean Cars plan should help.

Since reserving my electric pickup truck a year ago I've had to spend $4,000 in an attempt
to keep my gas guzzling pickup truck running. These repairs bills were especially disappointing to me because all of that $4,000 was spent on parts and repairs that don't exist on electric vehicles.

The reliability statistics I've seen show electric vehicles to hover around 60 percent more reliable than fossil fuel vehicles. And I believe it based on my personal experiences of owning both.

Over our quarter million electric driving miles we saved over $20,000 in fuel and operational costs as compared to a comparable gas vehicle.

I find electric cars more powerful, more fuel efficient, safer, cleaner, cheaper to operate and more reliable than gas powered cars.

New high-performance electric cars can now be purchased at the average car price in America and, of course, lower performance cars for less than that. At our house the electric cars are fueled with environmentally friendly electricity from the sun and wind.

I feel like electric cars are the best kept secret in America. Outside of fear of the unknown, I don't know why a person wouldn't want to switch to an electric car. I ask you to support the
Minnesota Clean Cars initiative.

THE JUDGE: Thank you very much. Our next commenter is -- this commenter will be speaking for a little bit longer. She is here representing automobile manufacturers, so she'll be speaking for 15 minutes.

After this next commenter we're going to take our next ten-minute break. We're going to go another 15 minutes and then we're going to take a ten-minute break.

So, if I can have you go ahead and state your name and spell your first and last names, please.

JULIA REGE: Can you hear me?

THE JUDGE: I can hear you, thank you.

JULIA REGE: Hi, this is Julia Rege, J-u-l-i-a, R-e-g-e, and I'm with the Alliance For Automotive Innovation. Thank you for the opportunity to present to you on behalf of the Alliance For Automotive Innovation, or Auto Innovators, and its member companies.

I'm here today to share our concerns with the Clean Cars rulemaking as proposed by the Pollution Control Agency or PCA.
Auto Innovators represent automakers that produce and sell nearly 99 percent of new cars and trucks in the United States, as well as their suppliers, technology companies and mobility companies. Our mission is to achieve cleaner, safer and smarter personal transportation for our country.

To be clear, it is the automakers that are directly impacted by the proposed adoption of the Clean Cars rule. Therefore, under this rule our members will be required to commit significant resources, time and effort to ensure compliance.

We are committed to the goal of net zero carbon transportation and zero-emission vehicles are critical to this goal. With over 250 billion dollars committed through 2023, the auto industry is accelerating its path to electrification in the U.S. and actively working to triple the number of battery, plug-in hybrid and fuel cell electric vehicles offered by 2025.

These efforts will bring more models in more sizes, price point, utility function and generally more options to make sure there is an electric vehicle, or EV, that fits every customer's needs. This is essential to growing customer adoption.

It is equally essential that
Minnesota create the necessary foundation for long-term success for EVs in the state by addressing market support efforts.

Zero-emission vehicle or ZEV mandate of the Clean Cars rule is a flawed regulatory tool. It requires automakers to increase EVs offered for sale in the state and it does nothing to generate customer demand.

This is why Minnesota needs strong policy leadership and fast action to develop purchase incentives, significantly invest in electric charging and hydrogen fueling stations, educate and create awareness among citizens and work with utilities and other stakeholders to make sure that customers can easily and cost effectively refuel their EVs.

We have yet to see legislation that demonstrates that the state is committed to increasing EVs in the same way the PCA is pushing them.

Without such actions sales are likely to remain relatively low, as is observed in other states that have adopted this mandate, and the citizens of Minnesota will continue to favor petroleum fueled vehicles over plug-in and hydrogen fueled vehicles.

Today approximately 3,000 EVs are sold in Minnesota in a single year. Under the example
provided by PCA about 17,000 vehicles will need to be
sold in model year 2025, not seven, and this represents
a more than 450 percent increase in EV sales compared to
today.

Prior to the rule being published and
during the rule development process we attempted to
engage with the PCA and its leadership to inform,
educate and collaborate on the rules because we have
significant experience with them across the country.

Specifically early on in the process
we shared with the PCA proven enforcement flexibilities
that will provide automakers with additional certainty,
reduce the high cost associated with this regulation and
leave Minnesota to having more EVs than otherwise would
be realized in the near term absent strong market
signals that are proven to increase adoption.

As you can tell from the rule, the
PCA has rejected our suggestions with nothing more than
superficial treatment in its Statement Of Need And
Reasonableness, or SONAR. This is but one of several
examples which demonstrates the significant legal and
regulatory deficiencies with this rulemaking.

The PCA's proposed ZEV rule has three
flaws. First, it fails to follow the regulatory
precedence set by other ZEV states and with which we and
the states have many years of experience, not just with
the regulations, but also working with state legislators
to secure funding to build EV markets and support
efforts to expand adoption even with the mandate in
place.

Second, it ignores the significant
practical and real challenges associated with
aggressively increasing EV sales in Minnesota and the
cost of doing so without concurrent state investment and
necessary supportive measures like consumer purchase
incentives and rapidly expanding home and public
charging infrastructure networks.

Third, it takes an extremely myopic
regulatory view ignoring the fact that ZEV standards
already continue beyond model year 2025 and will be
updated in the coming year.

As such, California has publicly
announced plans for a new rule aimed at 100 percent EV
sales by 2035. California's new rule will be a huge
undertaking. And we simply ask that Minnesota put
itself on equal footing with the other ZEV states as we
enter the next phase.

Our primary request, based on our
experience in other states like Colorado and as recently
as last week with the Virginia legislature, is for the
PCA to include a one-time set of banked proportional credits at the start of the program.

What that means is that the value of each automaker's starting bank of credits will be set proportionately based on relative Minnesota sales volume with the existing credit banks in California.

Since credit banks came into existence every state that has adopted the ZEV mandate has taken action to ensure consistency with California's regulation as required by the Clean Air Act.

These credit banks enable a supportive compliance mechanism as automakers work to develop ZEV market demand from scratch and help educate consumers on the benefit of ZEVs while they struggle with the lack of infrastructure and inconsistent incentives.

Further, in recognition of Minnesota's goal to grow EV sales above business as usual and to make sure that any existing credit banks do not overwhelm the need to increase EV sales, we have offered a template based on Colorado's adoption of ZEV.

This template represents a collaborative approach between government and industry and was the first time that industry did not oppose adoption of ZEV.
This was truly a groundbreaking effort and it demonstrated the good faith efforts of industry to align with the State's goal for electrification. And judging by Colorado's recent ZEV sales, it appears successful.

We attempted to do so here in Minnesota, but were rebuffed by the Agency. The Colorado approach provides two flexibilities to smooth implementation and prepare for the longer term shift to electrification.

The first provides the option to sell EVs and bank credit from these sales in the state earlier than the regulations can legally be implemented. In this way automakers are encouraged, but not required, to put more EVs into the market sooner than what might otherwise occur. PCA has appropriately proposed this same flexibility.

And the second adopts the one-time credit banks in amounts proportional to those in California and it places a restriction in the form of a cap on the ability to use those credits in the early implementation years.

The level of the cap is tailored to whether an automaker selects to earn early action credits. The cap ensures that automakers increase sales
by restricting use of those credit banks.

After 2025 Colorado's restrictions are lifted in recognition that once EV sales are growing sales are unlikely to be pulled back. This also leaves the state in a similar place to California in the event the next reiteration of California's rules requires much more significant EV volumes and quickly depletes credit banks.

We presented the Colorado approach to the PCA as the most recent regulatory process at the time and as a successful outcome. Colorado even before adopting ZEV ranks as a top EV state. In 2019 3 percent of the new vehicles sold in Colorado were EVs.

In sharp contrast, Minnesota's sales were less than half of Colorado's at only 1.3 percent. Colorado also continues to have one of the highest in nation EV purchase incentives and has $110 million electrification plan. Minnesota has neither of these.

The Colorado approach aimed to balance more EV adoption with market and regulatory uncertainty. Minnesota's EV market offers far more challenges and uncertainty because of its starting place.

Thus, Colorado offers an excellent starting point for discussion for a state like Minnesota
that lags in EV market support and as a result lags in EV sales, too.

Moreover, in the past few weeks Auto Innovators worked with environmental organizations in Virginia to agree on legislation that adopts ZEV and that includes proportional credits with a restrictive cap on those credits.

Virginia's program will start in model year 2025, just like Minnesota intends. However, given the timing demands of a legislative process, Virginia's deal unfortunately did not include an option for early action credits in the end.

For reference, Virginia's EV market share is just under 2 percent, again, compared to Minnesota's 1.3 percent sales rate. This Virginia collaboration came from the shared goal of increasing EVs, agreement to ensure Virginia's program would not be more or less stringent than California's in recognition of the regulatory challenge in the years ahead.

At the same time we are working with the same group and the legislature to initiate a purchase rebate program and plan to jointly support legislative action next year that will expand EV charging in Virginia.

Auto Innovators is pleased to have
found a workable solution in Virginia. And it's important to note, however, that different approaches for Colorado, Virginia and now Minnesota complicate compliance, require increased resources to manage and provide a distraction from the overall goal to get more EVs on the road.

Remarkably the PCA failed to evaluate caps on proportional credits in its SONAR. Therefore, the PCA's analysis leaves out a critical element of the approach we offered that would address concerns about near term requirements, while also addressing industry's uncertainty about how Minnesota's EV market will grow from well below the national average absent purchase incentives and significant infrastructure investment.

The PCA instead selected a novel one-time addition of credits equaled to one year's worth of requirements for all automakers, providing equal footing for all automakers rather than equal footing for the state compared to other ZEV states.

Our understanding is that the PCA rejected cap proportional credits in favor of its proposed approach because it cannot assess regulations that do not exist beyond 2025. Respectfully, the PCA's rationale makes no sense.

Indeed, California's regulations can
continue indefinitely beyond 2025, granted, at the same level as the model year 2025 standards. And California has already clearly articulated intent to adopt regulations that will push EV sales to 100 percent by 2035.

Unless the PCA agrees to include an approach similar to Colorado's or Virginia's, we respectfully urge the PCA to defer the Clean Cars rule for one year and instead revisit and re-propose the rule to provide the correct and appropriate enforcement flexibilities aligned with the regulations that California is expected to adopt next year to ensure Minnesota's program is neither more or less stringent than California.

Adopting the most expensive regulatory program with only a one-year view is simply bad public policy. We appreciate that the PCA has assessed tools to assist with compliance and has proposed early action credits as part of its proposal. We remain concerned, however, that the PCA has rejected the inclusion of one-time proportional credits with an associated cap on usage as Colorado and Virginia are doing.

In addition to the precedent in other states proportional credits will allow Minnesota to
manage uncertainty about how quickly California's regulations increase beyond 2025 and how quickly
Minnesota can secure real and substantial state funding
to increase EV demand.

Regarding other portions of the rule, the Clean Cars proposal also includes low-emission vehicles criteria and greenhouse gas emission standards.

The LEV criteria emission standards are the same as the federal level standards, which means they provide no additional benefits. These vehicles are already sold in Minnesota and the state benefits regardless of whether these standards are adopted.

This, however, is not the same with the LEV, GHG or greenhouse gas standards. While we understand Minnesota's climate goals and opposition to the previous administration's approach, we cannot underscore enough that a federal approach to greenhouse gas standards is the most efficient and cost effective method to further the reductions.

This is one of the reasons that Auto Innovators is committed to working with the Biden administration on an accelerated and inclusive path for reducing greenhouse gas emissions.

The California greenhouse gas standards raise concerns about cost and feasibility
because the assumptions used in setting them have changed drastically.

For instance, consumer purchasing preferences have shifted more to trucks and sport utility vehicles and outside of California, far less to advanced technologies than what was anticipated.

Plus, gasoline prices remain low. And vehicle affordability is a real concern as average transaction price reach an all time high of over $40,000. These are significant impacts that must be considered.

They do not, however, deter from our members' goal of reducing GHG and increasing electrification. It is our hope that we can find a resolution that works for the nation, that increases environmental benefits and that states like California, Minnesota, et cetera, work with us to find the answer.

In closing, Auto Innovators opposes Minnesota's adoption of ZEV as proposed. These rules fail to adequately address industry's concerns, which are firmly rooted in our years of experience, and will place an undue burden on automakers to increase EVs in Minnesota without the necessary market conditions in place.

We highly recommend that Minnesota
follow Colorado's and Virginia's leads and put in place a ZEV mandate that managing near term goals to expand EV sales while also being well prepared for the next generation of ZEV that will undoubtedly follow a path to near full electrification in the next decade.

Alternatively, Minnesota can pause all action on these rules, wait to see what California does and whether a strong and robust federal policy is put in place to reduce GHG and meets Minnesota's needs. In this way, we can all be better informed in determining whether such regulations are necessary and whether the entire state of Minnesota is truly prepared to go all in in preparing for electrification. Thank you. And I'm happy to answer any questions.

THE JUDGE: Thank you. Are there any questions from Agency staff for Ms. Rege?

JOSEPH DAMMEL: No, Your Honor, we don't have any questions. Thank you.

THE JUDGE: And then, Ms. Rege, will you be staying on the line for a while during the hearing?

JULIA REGE: Yes.

THE JUDGE: So, if you have a question that you wanted to ask Ms. Rege about her
statement, you can put that in the Q and A and I will try to circle back around and get Ms. Rege back on to answer them.

So, we're going to take our break now, but let me ask the Agency to put up the PowerPoint slide that includes ways to comment, it is Slide 8. If we could put that slide up during our break I think that would be helpful so everyone can get that information and it will be readily available while we're on break.

Again, that was Slide 8 of the PowerPoint, if I could get you to put that back up. And then, when we get back, Colin Lee, and I'm not going to say this right, I'm so sorry, Story Schwantes, I'm not sure where the accent should go, and then Bill Middlecamp, Charles Shulock and Craig Sterle will be our next five commenters when we come back from our break.

So, if we can get that slide up before we go and then we'll take our break. Thank you very much. So, ways to comment electronically, by mail or by fax. There's the Minnesota OAH website, that's our e-comments site, our U.S. mail address and our fax are all up there.

And I'll note, these are all available in the notice of hearing that included the Webex information to log in today. So, it is 5:23,
we're going to take a ten-minute break and come back at
5:33 and start with those next commenters that have been
identified. So, we're adjourned until 5:33.

(At this time a brief recess was taken
from 5:23 p.m. until 5:33 p.m.)

THE JUDGE: Welcome back. I'll ask
the Agency now to take down that slide so we can return
to primarily video. And if necessary we can put that up
again later. In fact, continue asking -- if there's
particular information that we can address via slides by
putting them up for a moment, I'm happy to do that.

So, I'm going to go back to the queue
of the speakers that were listed. And Colin Lee is our
next speaker, if Colin Lee is still on the line.

I'm not seeing -- Mr. Lee, I'm not
seeing your name here. Now I do see it. Mr. Lee, if
you can unmute yourself, turn on your camera if you're
able to do that.

COLIN LEE: Hello?

THE JUDGE: I can see you and hear
you. State your name, spell your first and last,
please.

COLIN LEE: Thank you, Your Honor.

My name is Colin Lee, that's C-o-l-i-n, L-e-e. I would
like to comment on the need for the rules.
Eight years ago I was among the first electric car buyers here in Minnesota when I bought a Nissan LEAF. After eight years I'm now driving my second electric car and I've personally driven over 150,000 miles in EVs.

They're great cars, I love driving them. I've never once run entirely out of charge or had an issue starting in the cold. Today we have three EVs in our household, all running on renewable solar power from panels on our roof.

However, when I bought my current General Motors car, the much better second generation model was not available in the state of Minnesota, it was only available in states which had a clean car standard.

I had to spend more money to purchase my car in California while I was there speaking at a conference. It was only available there and in seven states other than that. The dealer would not sell it to me unless I titled it there and paid a higher sales tax to the state of California.

And as I wasn't sure when Minnesota would receive the better model with improved performance, I paid the extra cost. And our state lost out on a large amount of motor vehicle sales tax.
I would have been thrilled to pay my taxes towards Minnesota roads instead of California ones and to not need to pay to have my car shipped across the country.

Three out of five prospective car buyers in Minnesota today say they're interested in buying an electric vehicle.

Clean Cars Minnesota would give those car buyers the chance to actually see and test drive a much wider variety of makes and models, many of which do not even make it to our state today because they go to other states with clean car standards. Thank you.

THE JUDGE: Thank you very much. Our next commenter is a name that I really do apologize, I'm not positive how to say it, Story, and is it Schwantes? If you can correct me, that would be great.

STORY SCHWANTES: Sure, it's Schwantes.

THE JUDGE: Thank you very much. I almost had it, probably not quite. If you can state your name, spell your first and last name, please.

STORY SCHWANTES: Yes, my name is Story Schwantes, S-t-o-r-y, S-c-h-w-a-n-t-e-s. I'll start.

THE JUDGE: You can proceed.
STORY SCHWANTES: I am a resident of Minneapolis, but I grew up in the Stillwater area, I'm a lifelong resident of Minnesota. And I am in great support of the Clean Car standards.

About a year ago I lost a friend to an asthma attack, which was something that I did not realize was possible. And he had long had asthma, since childhood.

And as I'm sure many people on this call are aware, asthma can be triggered by -- air pollution can trigger and exacerbates asthma attacks and irritates airways and causes breathing problems.

And after my friend passed I took a step back and I looked around and I realized how just completely normalized chronic lung issues like asthma had become.

It was basically nothing for all of my childhood friends to use an inhaler on the sidelines of the Lacrosse field or come home from school and get straight on their nebulizer to ingest corticosteroids easier, which is honestly wild, I think.

I think it's pretty wild how we've normalized children with chronic lung conditions in our lives. I think statistically speaking I'm sure everybody who's on this call today knows someone with
asthma or another lung disorder similar.

And I think previously to my friend passing I hadn't thought about it a whole lot and then was immediately after that thrust into another version of the world with COVID where those with pre-existing health conditions, asthma specifically, were even more at risk.

Four million children develop asthma every single year as a result of air pollution from cars and trucks. And that's according to a 2019 study by researchers at the George Washington University School of Public Health.

Asthma is the leading chronic illness in children in the United States, something that they're going to carry with them and have to manage and think about for many of them long into their lives forever maybe.

I myself have a chronic illness and I would not wish it on anyone. We need clean cars here. My hope is that we as a state can make that 2,000 to 4,000 death number that was mentioned at the beginning of the presentation from the Life and Breath Report done by the MPCA itself zero.

And clean cars is a necessary and supported part of the puzzle that is tackling illness.
exacerbated or caused by air pollution.

    And ultimately EVs are inevitable.
We look at the recent announcements by GM and Ford in
the last month about their plans to go fully electric
with their fleets. And we need to take a stand as a
state and adopt both the low-emission vehicle standard
and the zero-emission vehicle standards here in
Minnesota.

    And I'd also request that you adopt
the rule with the early action only credit allotment
system without the extra year of allotment credits, as I
don't believe we need to give manufacturers another year
of leeway.

    People's lives are quite literally at
risk. And I have personally experienced some of the
most devastating possible consequences from a poor air
quality day. Thank you.

    THE JUDGE: Thank you very much. I
have Bill Middlecamp as my next speaker. And you
already have your video going. Thank you. If you can
unmute yourself. It looks like you are still muted.
Excellent.

    Mr. Middlecamp, please state your
name and spell your first and last name.

    BILL MIDDLECAMP: Thank you. My name
is Bill Middlecamp, B-i-l-l, M-i-d-d-l-e-c-a-m-p. And I
would like to speak on the need and reasonableness of
the rule, the proposed rule. I'll try to avoid
repeating some of the excellent comments that have been
made previous to this.

I was also one of the cohort of
people who was the first in Minnesota to be able to buy
the Nissan LEAF in 2012. I had gotten on the list by
putting down a $99 interest -- escrow to get in the
queue to buy one of those cars.

And I had to wait three years while
other parts of the country were allowed to buy the car
before me. In the end when the opportunity was opened
up for me to buy the car, I wasn't even in the queue
anymore. They said now at this point anybody in the
whole country could buy the car.

So, that's just how the car
manufacturers view Minnesota in terms of a marketplace
for electric vehicles.

I'm a member of an owners group where
we share our passion for electric cars. And many of
those members have related a very negative sales
technique from dealers, agents where they go in with
cash in hand and the motivation to buy an electric car
and the salesperson actually actively tries to steer
them away from an electric car.

Oftentimes saying, "The car is not charged, you can't take it for a test drive. Why don't you look at this car over here instead?"

I've also been a volunteer at the State Fair for many years, the Equal Experience Building, where the same interested group of volunteers staff the electric car exhibit throughout the duration of the Fair.

And we literally talk to tens of thousands of excited Minnesotans who come in there wanting to know more about electric cars, dreaming about their own opportunities for electric car ownership.

So, I think that demonstrates a very clear and strong interest in the electric cars within Minnesota. And I'm confident that a higher level of availability of models and better education and better motivation for salespeople to sell the cars would result in more cars being sold in Minnesota.

My electric utility when I bought my car gave me documentation to show that they had purchased, in their term, retired renewable electric credits -- or renewable energy credits, 50,000 kilowatt hours worth of renewable energy credits in my name.

So, they went out and bought an
additional 50,000 kilowatt hours of electricity so that I could drive my car and know that it was powered by renewable energy. And that is actually enough to drive more than 150,000 miles.

That same company has recently announced the shutdown of their Coal Creek power station, which is a 1.1 gigawatt generating facility and replacing that with wind energy and other renewable energy with the goal to reach 92 percent carbon-free electricity for all of its customers across the state by 2023.

Bloomberg New Energy Finance predicts that wholesale battery prices will cross the $100 per kilowatt hour threshold in 2023, which is where battery electric vehicles reach parity with internal combustion engine vehicles.

So, in other words, the sticker shock goes away as people look at cars on the show floor, the electric cars are going to cost the same. And then after that continue to drop in price because battery prices are expected to continue to drop dramatically.

I also want to comment on an earlier comment that was made about the average price of an electric car being $55,000. I've got two electric cars, a Nissan LEAF and a Mitsubishi Outlander plug-in hybrid
and I bought both of those cars for about that much money, $55,000.

So, I don't know where that number came from. And my cars were even significantly lower than a later comment that the price is $40,000 per average transaction.

Electric vehicles are the first cars to get autonomous driving capability. And this is because of a couple of things related to electric cars, they have automated driving, requires massive computing power and over-the-air updates ability, which is being included in battery electric vehicles before an internal combustion engine.

When you put that together with autonomous refueling, in other words, they can drive over a charging pad without anybody in the car and fill up, this will allow vehicle sharing, which can reduce the total cost of ownership by two-thirds, which can save consumers in Minnesota a tremendous amount of money.

The reality of the carbon budget in the world is that the world cannot exceed if we're going to avoid the worst effects of climate change is already requiring rapid shift in the status quo of energy and transportation.
Scientists have been very conservative because they didn't want to be wrong. And exacerbated by political intransigent means we have been putting off the changes that are necessary. And we are literally putting ourselves between a rock and a hard place.

We're going to see a rapidly increasing need to reduce carbon. And if we continue to sell not enough electric vehicles and too many internal combustion engine vehicles, we're going to just put off that eventual reckoning and it's going to get harder and it's going to be more disruptive. The rate of fleet --

THE JUDGE: I'm going to have to stop you because you're a little over your five minutes time. If you want to stay on the line and come back when folks are done.

I had you starting at 5:40 and it's 5:46. I try to break in kind of gently. Do you have a concluding comment that you'd like to offer?

BILL MIDDLECAMP: I was on my last paragraph.

THE JUDGE: Can you speed it up and let's just get it in.

BILL MIDDLECAMP: The rate of replacement is about 6 percent per year, about a 15-year
rate. And we're going to continue to sell gas cars for some time. So, there's several decades here. We need to encourage electric vehicles as much as possible. Thank you for letting me continue.

THE JUDGE: Thank you very much. Our next commenter is Charles Shulock. Mr. Shulock, if you could unmute yourself and turn on your video if you're able to do that. Mr. Shulock, it looks like you are still muted.

Mr. Shulock -- I wonder if there's a way that we can assist Mr. Shulock in unmuting -- all right, it looks like you are now unmuted. Can you say something so I know if I can hear you? Mr. Shulock, I'm not able to hear you yet.

And I don't have video, so I don't know whether you're trying to speak and it's just not picking it up. Now it looks like you are muted again. Okay. Mr. Shulock, are you able to connect so I can hear you? All right.

Just give me moment, I'm checking the comment queue so see if there's anything in the Q and A that addresses that Mr. Shulock is indicating that he's having any difficulty. Mr. Shulock, I'm going to go on to the next commenter, but I'll circle back around to you unless -- have you been able to unmute yourself?
And so, if the Agency can assist
Mr. Shulock in some way. I'm showing him as unmuted,
but I'm not able to hear him. So, I'm going to turn to
the next commenter and then, Mr. Shulock, I'm going to
come back to you to see if we can manage to get you
unmuted.

The next commenter is Mr. Sterle. I
see that you turned your camera on. And if you could
unmute yourself so I can hear you as well.

CRAIG STERLE: Good evening. Can you
hear me?

THE JUDGE: I can. State and spell
your first and last name. Remember, Mr. Shulock, I'm
coming back to you as soon as I'm done with Mr. Sterle,
so hang in there and we'll try to get you unmuted.

All right. Mr. Sterle, state your
name, spell your first and last name.

CRAIG STERLE: Good evening, Your
Honor, my name is Craig Sterle, it's C-r-a-i-g,
S-t-e-r-l-e. I am the state past president for the
Isaac Walton League. And I'm going to speak in support
of the rulemaking and hopefully provide information that
addresses its need and reasonableness.

We know that the vehicle
transportation sector is the largest percentage of the
state's greenhouse gas emissions. For me, the simple
goal here is very straightforward as a citizen, to
require automakers to supply dealerships with
low-emission vehicles, hybrids, plug-in electric hybrids
and fully electric vehicles.

Nobody is required to buy one. Thus,
we hope that there will be a wider and greater selection
of these vehicles at state's dealerships.

Now, some folks have mentioned during
the talks today that Minnesota has a very low percentage
of vehicles -- electric vehicles. And I think that is
largely traceable to the fact that they're very
difficult to find in dealerships.

Last June I put money down on a
hybrid plug-in from a dealership in Duluth and eight
months later I am still waiting for my car. It's not
that I don't know the benefits of plug-in electric
technology, my wife has had a plug-in Prius Prime since
2017.

And we love the vehicle, have had
virtually no troubles with it. And I'm looking forward
to getting a plug-in electric myself. It would be an
SUV, a RAV4 Prime.

I was told when I ordered the vehicle
that Minnesota might receive one to two of these
vehicles. So, my hopes of ownership are realistic and that I know it's not going to happen overnight, but I'm still hopeful that eventually I will have one of those vehicles.

Some who object to the new rule point to the higher purchase price of these vehicles. And while that may be true, the reality is the cost of ownership is a part of this equation as well.

I, for example, have solar panels, we have a Phase II charger at our house. For us refueling the electric is virtually cost free. So, you have to look at all of the costs of these vehicles.

The electric vehicles have very few moving parts and they don't have things like tailpipes that have to be replaced, they don't have to do oil changes, all of this adds up over the course of the life of a vehicle.

And I did some rough back-of-the-notebook calculations and figured over the eight years of a life of a vehicle, electric vehicle, a full electric vehicle owner could save somewhere between $5,500 and $7,500, which is fairly significant, more than enough to offset the original purchase price difference between EV and internal combustion.

Plus, you add in the lower
maintenance costs for these vehicles and you save even
more money. So, the result is a measurable and
significant cost benefit.

But there's also significant health
benefits in driving EV vehicles with reduced or no
emissions, depending on which type you have, whether
it's low-emission vehicles or fully zero-emission
vehicles.

There's no carbon monoxide on a
zero-emission vehicle, no nitrogen oxide, no sulfur
dioxide, no hydrocarbons, benzene, mercury, other
harmful articulates.

Utilizing locally produced energy,
such as we will with ours, but many people can sign up
for wind source or other green energy products through
their local utility, that would then make the fueling of
the vehicle essentially carbon-free, no greenhouse gas
emissions or very, very low greenhouse gas emissions.

There are folks, some who are elected
officials, who see that this rule is a threat to the way
of life and our existence. Their misinformation and
inflammatory rhetoric panders to the old and reflects
the very -- rejects the very future of electric
vehicles.

It's likely that the same type of
rhetoric was espoused when automobiles replaced horse
and buggy. The change to electric vehicles is
inevitable. It's up to us to choose how we're going to
go about this.

And I think that having the
California clean emission standards is something that
Minnesota needs to adopt sooner rather than later.

We have deflected, procrastinated to
the point where only a more rapid and abrupt leap to a
new technology can fend off the worst impacts that
climate change threatens to deliver.

The power sector has done its part to
reduce emissions and I think it's now time for the
transportation segment to do the same.

One last comment I'd like to make is
that these regulations don't necessarily prevent
legislators from adopting incentive programs for
electric vehicle purchases.

So, I think we can have both, we can
have regulation and we can have incentives all at the
same time. Thank you.

THE JUDGE: Thank you. And then,
Mr. Shulock, are you able to join us now?

CHUCK SHULOCK: I'm on the phone, can
you hear me?
THE JUDGE: I can hear you. You're a little faint. Let me check with the court reporter and find out whether she can hear you. Mr. Shulock, state your name and spell your first and last and we'll see if she can hear you.

CHUCK SHULOCK: My name is Charles Shulock -- hang on for one second. Are you getting this?

THE JUDGE: That's better on my end. For the court reporter, is that better on your end as well?

COURT REPORTER: Yes, much better.

CHUCK SHULOCK: I had a big problem and I figured it out, so I was both on the phone and on the computer, but now I'm just back on the computer. And I do not plan to use video, so I am good to go. My name is Chuck Shulock, C-h-u-c-k, S-h-u-l-o-c-k.

Good afternoon. Thank you, Your Honor, and thank you for the opportunity to comment. I'm a consultant providing technical support to Minnesota based plane transportation advocates, as well as advocates in several other states considering clean cars adoption.

However, I'm commenting here today on my own behalf. Before becoming a consultant I worked
for many years at the California Air Resources Board.

And while there I managed two ZEV rulemakings and the staff analysis for the first lead-free tailpipe GHG standards. So, I'm quite familiar with the topics before you today.

I've carefully reviewed the SONAR and the TSD and I find them to be thorough and in general technically sound. Taken as a whole they clearly demonstrate the need for and reasonableness of the Clean Cars Minnesota proposal.

I've also done an independent analysis of the impacts of the rules. And in most respects its results support the MPCA analysis. A report outlining my analysis and findings will be submitted to the record shortly.

Today I want to call attention to two issues. First, I've concluded that the TSD's estimate of technology costs to meet the tailpipe standards is too high. And thus, it actually understates the net benefit of the rule.

Here's what's going on. MPCA relies on two federal analyses of the costs and benefits of the Clean Car standards. One prepared for the original Obama LEV III standards and a different one done for the most recent truck administration SAFE Vehicle Rule.
You can think of these as two mechanics' bids for work on your car. The LEV III bid says it will cost about $1,100 to get a 25 percent reduction in the GHG emissions.

The SAFE bid, the federal bid under the Trump administration, also comes in at about $1,100, but for that you only get a 9 percent reduction.

So, the first question here is, why so different? The short answer is that the SAFE analysis is, as a report I cite in my written comments, puts it fatally flawed. Its cost estimates are too high. So, that's not a good source for anything.

Holding that aside, there's a different problem with the technical support document analysis. What Clean Cars Minnesota requires is an additional improvement above and beyond the 9 percent reduction under the SAFE Rule to get to 25 percent, which is what's required under LEV III.

When calculating the fuel savings the TSD correctly only counts that incremental change from 9 to 25. But for cost it uses the entire cost of the LEV III technology package without taking into account the cost of getting to the first 9 percent.

That latter cost should not be assessed against this rule, it's part of the baseline.
So, what really matters here is just what's it take to
get from 9 to 16. And that's not what's in the TSD
analysis.

When the cost is correctly calculated
it turns out that the regulation provides net benefits
under both discount rates. This is consistent with the
findings of other analyses of Clean Car rules and the
TSD's conclusion that there's a small net savings or net
cost depending on the choice of discount rate is
actually an outlier.

Second, I'd like to weigh in on
initial credit awards. As the speaker from the Auto
Alliance demonstrated, this is a complicated issue with
lots of moving parts.

It can be reduced to two dimensions,
which placements get rewarded and earn credit and how
big of pile of early credits do the automakers get.

Regarding which placements are
awarded, early credits reward cars placed in Minnesota.
Proportional credits, as recommended by the Alliance,
reward cars placed in California, not as desirable for
the state of Minnesota.

The one-time award as proposed by
MPCA is not based on sales at all. So, viewed from that
perspective, what really is most beneficial in
Minnesota, and this is recognized by MPCA, are early credits.

Regarding the number of credits, it depends on what happens between now and 2025, but the MPCA analysis, with which I agree, shows that their proposal would result in about 105,000 credits. But the proportional award recommended by the Alliance would range from 235,000 to 325,000, two to three times as many.

They speak -- the Alliance speaks to a cap on the use, and that's true, but the absolute number also matters. So, that's what's at stake here. Where are these cars incentivized to be placed and how big is that final award?

In my view, both proposals, MPCA and the Alliance, are more generous than needed. And I'll fully support that statement in later written comments.

So, thank you very much. And thank you for bearing with me as I tried to get in front of you here.

THE JUDGE: Thank you very much, Mr. Shulock. All right. Our next speaker, I believe, is Timothy Connor.

TIMOTHY CONNOR: As it turns out I asked to be delayed until tomorrow, my apologies.
THE JUDGE: That's fine. So, you're going to forego for now and come back tomorrow?

TIMOTHY CONNOR: Yes.

THE JUDGE: Perfect. Thank you, I appreciate that. Because we do have quite a number of folks in the queue. Just to give you a little bit of a forecast about how we're going to run things, because we are having another hearing tomorrow and because we have a court reporter and she can only go so long under those circumstances, I'm intending to run until we've gotten to everybody or until 8:00 tonight.

So, that's five hours of hearing. And I will run the same tomorrow, I will run from 3:00 to 8:00 or until folks have finished speaking tomorrow.

So, if you are way down in the queue and you can come tomorrow, what I'm going to ask the Agency to do is go ahead and start our queue tomorrow with the folks who were not able to speak tonight, if we can carry over that queue into tomorrow for anyone who can come tomorrow, that would be very, very helpful in terms of managing the number of people who would still like to speak tonight.

So, I'm going to go to the next commenter in the queue, which was Nick Baker. It looks like maybe -- I have a Noelle Baker that's on the list,
I don't know which is the preferred name to use.

If I could get you to unmute yourself. And it looks like you might be on the phone. Can we assist Ms. Baker in unmuting herself?

Ms. Baker, are you un-muted? I'm not able to hear Ms. Baker yet. I'm going to ask again, Ms. Baker, are you able to --

NOELLE BAKER: I'm sorry, I didn't have any comments, I'm just listening in. Thank you.

THE JUDGE: All right. Okay. So, we're going to go to our next person in the queue, I have two spellings for the last name, I don't know which is the right one. I have Carolyn Beninger and then I also have Carolyn Beringer.

So, if you could clarify for us, that's very helpful. State your name and spell your first name and last.

CAROLYN BERNINGER: Good evening, thank you. My name is Carolyn Berninger, C-a-r-o-l-y-n, B-e-r-n-i-n-g-e-r. And thank you for the opportunity to offer a comment on the Clean Cars rule for Minnesota.

I'm commenting on behalf of the Minnesota Center for Environmental Advocacy, or MCEA. We're a nonprofit organization based in St. Paul that uses law and science to protect Minnesota's environment
and the health of its people.

We support a strong Clean Cars rule because it would reduce greenhouse gas emissions, improve public health and reduce costs for Minnesota households.

We support the low-emission vehicle or LEV standard and the zero-emission vehicle or ZEV standard with early action crediting, only without an extra allotment of credits not tied to any vehicle sales in Minnesota.

We believe this structure would generate the most benefits for our state while still providing sufficient flexibility to automakers to comply with the rules. Minnesota needs the LEV and ZEV standards now because we've fallen behind on our greenhouse gas emission reduction target. As of 2018 we've only reduced statewide emissions by 8 percent since 2005. And making matters worse Minnesota's emissions actually increased between 2016 and 2018. And as you've heard the transportation sector is now the largest emitter.

We have to do more to reduce the impacts of climate change and Clean Cars Minnesota is a critical next step to do this. We also need the rule to improve public health.
In a recent study Harvard researchers found that in 2018 nearly one in five deaths globally resulted from exposure to outdoor air pollution from burning fossil fuels. And that includes burning fossil fuels in passenger cars. This pollution disproportionately impacts lower income communities and communities of color with those communities more likely to live near major roadways and other sources of pollution.

Clearly burning gasoline in passenger vehicles reeks havoc on the climate and human health. Clean Cars Minnesota would both improve fuel efficiency in gas powered cars and increase the availability of zero-emission electric vehicles in this state. Integrating new EV charging also allows for increased utilization of wind energy during overnight hours, while putting downward pressure on electric rates for all customers.

The benefits of Clean Cars Minnesota are clear, as you've heard today, but to maximize those benefits we need a strong rule that does not give away vehicle credits to manufacturers regardless of whether they've sold a single EV in Minnesota. Unlike early action crediting, which is tied to EV sales and would benefit Minnesotans by
bringing more EVs into the state sooner, the proposed
one-time credit allotment would decrease the
effectiveness of the rule with no added benefit to the
state.

    With dozens of new EVs coming to
market in the U.S. in coming years manufacturers have
more options than ever to meet their compliance
requirement. And as you've heard, Minnesotans want
access to those cars.

    Two years of early action credits and
the required lead time before rule implementation would
provide ample flexibility without the need for an
allotment of free credit.

    We need a strong rule because we're
falling behind on our greenhouse gas reduction targets
and because Minnesota's communities are being harmed
right now by air pollution.

    Both the LEV and ZEV standards are a
key piece of the puzzle to address these problems. And
we can't afford to weaken the rules or put them off and
compromise the benefits to Minnesota.

    Thank you again and we appreciate the
opportunity to comment.

    THE JUDGE: Thank you very much. Our
next commenter is Brian Riebe, I'm not sure, please
correct me.

BRIAN RIEBE: Thank you, Your Honor, it's Brian Riebe.

THE JUDGE: Thank you. Okay. Please go ahead and spell both your first and last name.

BRIAN RIEBE: Brian, B-r-i-a-n, Riebe, R-i-e-b-e.

THE JUDGE: Thank you very much.

BRIAN RIEBE: Thank you. I'm a Burnsville resident and I support Clean Cars Minnesota. I doubted that EVs were viable in Minnesota until a friend gave me a test drive in 2018 and changed my mind. That fall we purchased an EV and (audio interruption) the best vehicle we've ever had.

On the road it's inexpensive and we've had fractional maintenance cost compared to our past cars and trucks. We've put 60,000 miles on it and road tripped across the country and up and down the state many times.

I want all Minnesotans to have the ability to experience the transformation that we've enjoyed. That means bringing more options here.

I believe the MPCA has the authority to enact this rule based on their mandate to control air pollution granted by the legislature.
While reading the SONAR and appendix documentation for the proposed rule I was struck by how thorough and conservative the Minnesota Pollution Control Agency was in their estimates.

What we see in these documents is a minimum benefit for the quality of life improvements for Minnesotans in choice, air quality (audio interruption) but I believe the benefits will be --

THE JUDGE: You broke up a little bit. Could you repeat your last statement?

BRIAN RIEBE: Sure. While reading the SONAR and appendix to the documentation for the proposed rule I was struck with how thorough and conservative the Minnesota Pollution Control Agency was in their estimates.

And what we see in these documents in a minimum benefit for the quality of life improvements for Minnesotans in choice, air quality and equity by adopting this rule. It was appropriate for them to take this approach, but I believe the benefits will be much greater and compound over time.

Without this rule, the newest and best vehicles and technology will go to Europe, China and the ZEV states. We have an opportunity to raise our hand and say we want Minnesota to be at the front of the
line. Thank you for your time today.

THE JUDGE: Thank you very much. And our next speaker is Philip Adam and the additional speakers beyond Mr. Adam is Josh Houdek, Erica Wacker, Simon Horowitz, Kathy Hollander and Aaron Hurd, you are going to be up in that order next after Mr. Adam.

So, if I could have Mr. Adam go ahead and unmute yourself and turn on your camera if you're able to do that. Thank you. Mr. Adam, state your name and spell your first and last names, please.

PHILIP ADAM: Good afternoon, Your Honor, and thank you for the opportunity. I am Philip Adam, P-h-i-l-i-p, A-d-a-m. I've been a resident of Plymouth, Minnesota for 35 years.

I've driven electric vehicles over seven years over 130,000 miles for their simplicity, the two cents per mile energy cost, almost nonexistent maintenance and sports car type performance.

I was recently reminded of the Clean Cars rule one morning when I went to retrieve my morning paper, a garbage truck drove by, I realized it had a diesel engine and a waist level high discharge muffler on the side just as I inhaled. Didn't enjoy that.

What I really want to emphasize today is that it is gas car owners who will greatly benefit
from a rapid adoption of electric vehicles.

Imagine if 20 percent of automobiles are electric, which reduces demand for gas by 20 percent, as recently happened with COVID in 2020. Just a 30 cent per gallon price drop puts an extra billion dollars in the pockets of us Minnesotans.

Secondly, rapid adoption of electric vehicles will benefit all electric rate payers. It's a bit counterintuitive, but first power companies will sell more electricity to charge our vehicles. Now their fixed costs are spread out over a larger volume of sales, this drives down cost for all rate payers.

Second, wind power is the lowest cost of electric energy source. With a significant quantity of electric cars this fleet of rolling batteries allows utility companies to maximize the benefits of wind power and thus provide us citizens with stable lowest cost power.

There are great personal and macroeconomic benefits as well. By electrifying transportation a lot more money remains in the Minnesota economy.

Let me use the example of a single long haul truck that goes 700 miles in a day, probably gets seven miles per gallon and thus would burn a
hundred gallons of diesel to do this. At $3 per gallon, this is $300 per day.

If electric, that same truck would use 1400 kilowatt hours, about a hundred dollars of electricity. So, the truck owner saves $200 per day or a thousand per week or $50,000 per year just in fuel costs.

Over that year there would have been a dozen oil changes, maintenance and then over the life of the vehicle, if no overhauls, let's say 400,000 miles. If the truck lasts six years, that's $300,000 in fuel savings, just one truck.

I think the trucking executive who previously spoke should be scrambling and advocating to quickly change our infrastructure to support electric trucks.

Now, let's multiply this effect for Minnesota's consumption of what was 3.3 billion gallons per year of fuel, that's about eight and a half billion dollars per year for this fuel.

If it was all electricity Minnesota would only spend about two and a half billion, or two. Citizens would thus save about six billion per year. And if citizens spend those saved dollars locally, how would that benefit Minnesota's GDP? I don't know.
billion, 10 billion? It's enormous.

Rapid adoption of electric vehicles will put a much higher quantity of used EVs on the market. Those with lower income stand to benefit the most, as they tend to spend a higher percentage of their income on transportation.

And since many homes are multi-car households used vehicles are a great way to enter that market. I had a friend who bought a used EV about six years ago. Besides a set of tires, his only maintenance has been a $65 battery. He figures his total cost, purchase, maintenance and energy has been about $93 per month.

Thus there are hundreds of dollars per electric vehicle car and thousands of dollars for electric truck in annual benefits to all Minnesota citizens, regardless as to whether or not we own or they own an EV or not.

The truth is that electric cars and renewable energy are some of the most democratizing forces available to us as citizens and can free us from the fossil fuel auto industry that dominates our lives.

A highly centralized refinery concentrates power in the hands of the very few. With every bit of fossil fuel we literally burn our wealth.
Electric cars, wind turbines, solar panels and power walls in our home decentralize power. It literally and politically puts the power closer to each of us as citizens.

I have a couple comments regarding Ellen Wald's misinformation. An electric vehicle run entirely on coal has a CO2 equivalent of about a 55-mile-per-gallon gas car. It's still twice as good as your typical gas car.

With Xcel Energy, we operate well over a hundred miles per gallon on CO2 equivalent. I happen to run on wind and solar and thus I operate with the equivalent of over 600 miles per gallon CO2 equivalent.

Also, it's important to point out that 30 percent of gasoline's carbon footprint comes from getting the oil out of the ground and refining it. Take a look at the huge substation in front of the Pine Island Refinery.

Further, 10 percent of a refinery's output is waste. Typically it gets shipped to India, China or Brazil and they burn it in their electric coal plants or cement kilns in an unregulated environment, polluting the world.

So, I have one comment regarding
Mrs. Rege's testimony. California, Colorado and Virginia have a Democratic house and senate. The state of Minnesota has a Republican senate. There will be no legislative cooperation and so her solution is not workable.

So, all this points to the probability that EV sales will easily exceed 7 percent if the public understood all the benefits. To not adopt these rules is to continue the de facto policy of subsidizing fossil fuel.

So, let's do a simple thing and send a market signal that Minnesota wants to lead, let's approve the adoption of Clean Car rules and encourage utilities to plan for infrastructure to accelerate this transition. For all Minnesotans who will benefit, thank you.

THE JUDGE: Thank you. All right. Our next speaker is Josh Houdek and I might not be pronouncing that correctly and I'm happy for you to correct me. Can you go ahead and speak so I know that you're unmuted?

I'm not able to hear you. I can see you and I can see that you're speaking. Now you're muted again. Try again. I cannot hear you right now. Let me ask the court reporter, are you able to hear
Mr. Houdek?

COURT REPORTER: I am not able to hear him either.

THE JUDGE: Let's try again. If you can mute yourself and unmute yourself again and let's give that a go. I am not able to hear you still. I'm not the best at troubleshooting these things, so I apologize for not having a ready suggestion for how we can troubleshoot this issue.

Right now I have you as muted. Can we unmute Mr. Houdek on our end from the Agency side to try to make sure that he is unmuted?

JOSHUA HOUDEK: Can you hear me now?

THE JUDGE: I can. Thank you very much.

JOSHUA HOUDEK: I'm not sure what was happening there.

THE JUDGE: Technology.

JOSHUA HOUDEK: I know everyone is waiting here. Thank you very much. My name is Joshua Houdek, that's spelled J-o-s-h-u-a, H-o-u-d-e-k. I live in South Minneapolis and I'm a senior program manager for transportation with the Sierra Club Minnesota North Star Chapter.

The Sierra Club, as you may know, is
the nation's oldest and largest grassroots environmental organization. And I'm speaking today on behalf of the Sierra Club and it's 80,000 members and supporters in Minnesota and more than 3.8 million members and supporters nationwide.

I'm also speaking as a father. My daughter is eating dinner right now with her mother, but this (indicating) was one of her toys as a young child, a wooden EV.

I'm also speaking as a proud Minnesotan concerned about the threat of tailpipe pollution that it poses to our state's climate, health and economy.

It's probably no surprise to you that Sierra Club strongly supports the Clean Cars Minnesota program. Let me tell you why. I would like to make two points in support of Clean Cars Minnesota and flag one concern that we have with the proposed rule.

First, Minnesota has fallen behind on its climate goals. To meet our goals we must electrify the transportation sector, our state's leading source of climate pollution. Shifting to EVs, electric vehicles, means consumers need access to them.

In 2019 Sierra Club conducted a nationwide study of the EV shopping experience. And
unsurprisingly we found significant differences in EV inventory between states with a Clean Cars program and one without, despite the increasing number of EV models on the market overall.

This consumer experience results from manufacturers focusing their delivery of EVs on specific states or region. Clean Cars Minnesota will help overcome that problem.

Second, tailpipe pollution dramatically harms our public health. Our own Minnesota Department of Health estimates that tailpipe emissions contribute to 2,000 to 4,000 deaths per year just in the Twin Cities alone. Tragically this pollution disproportionately affects communities of color and lower income communities.

The State's 2019 Life and Breath Report showed that rates of premature death and ER visits are dramatically higher in these communities. Clean Cars Minnesota will help support environmental justice objectives by reducing dangerous pollution.

The consumer savings that result from the use of EVs, together with health and climate benefits, shows us that Clean Cars Minnesota will be a cost effective and common sense program, even under conservative assumptions used by the Agency in some
calculations.

I'd also note that Clean Cars Minnesota is legally sound, it is structured to go into effect contingent on the issuance of a new EPA waiver for California, a practice that is entirely consistent with action taken by other states adopting Clean Cars programs in the past and that has been affirmed by federal courts.

Finally, I want to share a concern that we have with the proposed rule. The one-time credit allotment found in Subpart 5 of the zero-emissions vehicle standards, this provision is essentially a give-away of the credits required for compliance with the program in the first year.

And Sierra Club strongly opposes this give-away credit because it's not necessary for the program feasibility and will needlessly weaken the rule.

If automakers live up to their announcements that we're hearing in Super Bowl ads and elsewhere, they should be very well positioned to comply with the rule in the very first effective model year. This one-time credit allotment provision should not be part of the final rule.

We look forward to supporting more -- sorry, submitting more detailed written comments in the
coming weeks and we urge you to continue to move forward with the adoption of Clean Cars Minnesota. Thank you very much for your time.

THE JUDGE: Thank you very much.

Erica Wacker, you are our next speaker, if you can go ahead and unmute yourself.

ERICA WACKER: Hi, can you hear me?

THE JUDGE: I can hear you, thank you very much. Please go ahead and state your name, spell your first and last.

ERICA WACKER: Hi, I am Erica Wacker, it's E-r-i-c-a, W-a-c-k-e-r. Thank you for this opportunity to testify in support of Clean Cars Minnesota.

I live in St. Paul with my husband and two kids. And I'm not representing any business interest today, I'm speaking solely on behalf of myself, our climate and a sustainable future for my children and future generations of Minnesotans.

Just last month we needed to replace our 2007 Hyundai Elantra and started searching for a preowned compact car. At first we were looking at Toyota Corollas, Honda Civics, Kia Fortes and other similar cars because we assumed that electric vehicles were either too expensive or wouldn't meet our needs.
Once we started learning more about EVs we discovered that a used Nissan LEAF had a similar price to a comparable gas powered car. Plus, we were already in the process of getting solar panels installed on our house this spring.

So, an EV seemed like a natural next step in our efforts to reduce our household's carbon footprint. From there we learned how limited the inventory for EVs is in Minnesota and that this is because Minnesota doesn't have Clean Car standards.

There were maybe five or six used EVs on Twin Cities car lots that met our needs and were in our price range, while there were hundreds of gas cars available.

We found our 2016 Nissan LEAF at GS Motors in Hopkins and I had the best car buying experience I've ever had, I wish all car dealers were like that one, total opposite of what you might normally expect.

Our other car is a Honda CRV, which my husband drives to work, and it's our bigger vehicle for family road trips. The LEAF is perfect for everything else. I have a short commute to work, going to the grocery store, taking the kids to sports and other weekend outings.
My seven-year-old now insists on taking the LEAF because he knows it's better for the earth. Once our CRV needs to be replaced we plan to replace it with another EV when there are more options on the market.

I know that electric cars alone won't solve climate change. I intentionally live and work somewhere that I can accomplish many errands on foot and when I need to drive it's only a short distance.

Because many Minnesotans are car dependent, EVs are a necessary next step to meeting our residents' transportation needs while reducing air pollution and our reliance on fossil fuels.

It is past time to transition to an electric future. Minnesota must adopt Clean Car standards, which will give consumers more options, lower their maintenance costs and allow our state to be on the right side of history. Thank you very much.

THE JUDGE: Thank you. Simon Horowitz is our next speaker.

SIMON HOROWITZ: Hi, there. Can you hear me?

THE JUDGE: I can hear you. Please go ahead and spell your first and last names for us.

SIMON HOROWITZ: Simon Horowitz,
S-i-m-o-n, H-o-r-o-w-i-t-z. Thank you, Your Honor, for the opportunity to speak today.

I'm here with Environment America, we're an environmental advocacy nonprofit group working for clean air, clean water. We have 29 state affiliates across the country, one of them being Environment Minnesota located here in Minneapolis.

On behalf of Environment America and Environment Minnesota's members I support the Minnesota Pollution Control Agency's proposal of adopting the Clean Car standards. This rule protects public health and our climate by simultaneously giving consumers more choice.

Let's be frank, climate change is a crisis, the impacts for people across the country and across the world has already been devastating. And with the trajectory we're on, those impacts are only getting worse.

A 2019 study noted that Minneapolis is the 14th fastest warming city in America, with a nearly 4 degree Fahrenheit temperature rise over the past 50 years.

Of all the contributors to climate change transportation is number one, both in Minnesota and across the country, it's the largest greenhouse gas
emitter. Simply put, the only way that we can prevent the worst impacts of this crisis is by transforming our transportation sector.

If we continue using gasoline to get around people will suffer. Early estimates say that clean car standards will reduce annual climate pollution by two million tons by 2030. This rule puts us on a path towards a carbon-free transportation future.

Cars are not only warming our climate, but they're directly polluting our air right now, harming the health of Minnesotans. Cars make harmful pollutants that form small holes in the ozone. Exposure to ozone can trigger asthma attacks, lead to respiratory infections and even cause premature death.

As we heard earlier, an estimated 2,000 to 4,000 Minnesotans die from air pollution in the most recent annual data. In Environment Minnesota's Trouble In The Air Report we found that the Twin Cities region experienced 74 days of degraded air quality in 2018.

Our report also found that there was more than 20 degraded air quality days in every single Minnesota county tested for pollution. This is unacceptable.

I would also like to address a couple
comments made earlier. One commenter stated that
electric vehicles are only as clean as the source of
energy that the electric grid is powered by.

According to the U.S. Department of
Energy, the average electric vehicle in Minnesota
produces approximately one-third of the pollution of the
average gasoline powered car in Minnesota.

So, this is false. And this is even
though Minnesota currently sources 30 percent of its
electricity from coal. So, while EVs are far better for
the environment, as we move towards more renewable
energy, electric vehicles will reduce emissions even
further.

Another earlier commenter stated that
they expect to see diesel used for vehicle fuel for a
long time to come. If that's the case and if we do
continue to use diesel for a long time to come, let's be
straightforward, the consequences for people, for
wildlife, for ecosystems and for our earth will be dire.

The Minnesota Pollution Control
Agency's mission is to protect the environment and human
health. This rule is doing that. Thank you.

THE JUDGE: Thank you very much. Our
next speaker, Kathy Hollander.

KATHY HOLLANDER: Am I unmuted?
THE JUDGE: You are unmuted. I don't see you yet, but your camera might be lagging or there may be a technical difficulty.

But you can go ahead and state your name and spell your first and last and get going with your comment. And if the camera kicks in, that's great.

KATHY HOLLANDER: I just saw the button that says start video, I'm sorry, I didn't see that before.

THE JUDGE: I have you now, excellent. Ms. Hollander, please state and spell your name for the record.

KATHY HOLLANDER: Thank you so much for listening to our comments. My name is Kathy Hollander, K-a-t-h-y, H-o-l-l-a-n-d-e-r. I live in South Minneapolis.

And I'm speaking today in support of the Minnesota Pollution Control Agency's proposed rulemaking on Clean Cars standards. And that's a mouthful.

Given what I can say in five minutes I would just like to highlight three things. And yes, people are starting to hear the same things from other people, but some things are really important to us.

Number one to me is the urgency of
climate change. The new United Nations report called
Making Peace With Nature was just published, there was a
little notice about it in the paper.

But what really spoke to my heart and
what really caught me was that the Secretary General's
comment said that this year is a make-it or break-it
year indeed because of the risk of things becoming
irreversible and it's gaining ground every year.

That struck me and it took me a day
to recover from reading that. One commenter mentioned
that this rulemaking contains aggressive challenges to
the auto industry. I hear that, I understand that.

But we know that scientists are
telling us we're facing far greater challenges to all of
our systems and industries as climate change comes
barreling down on us.

This new report from the U.N. says
the world is on track for warming at least 3 degrees
Celsius at industrial levels by 2100. That is going to
be a crazy roller coaster ride. And how many people
will survive is an interesting question.

Many people have mentioned that the
transportation sector in Minnesota is the largest source
of the greenhouse gas emissions. Cars and light-duty
trucks provide over half of these emissions.
Yes, we're only one state in one country, but it's imperative that we do our part. We must show momentum so that other states which are also showing momentum join together and put pressure on all of the states to take real action.

My second reason for advocating for adopting this rule is also to increase consumer choices of zero-emission vehicles. I spent days calling around when my family decided to purchase a new Chevy Bolt, Bolt with a B, 2019.

I even looked at driving down to Chicago in a very cold snap, similar to the one we just had, to purchase a car sight unseen. And the salesman told me that the car may even sell in the next three days and I better hurry on down to get it. That's how crazy it was.

Ultimately we had to wait. One dealer here had one coming in and we waited and waited and waited until it came in. We bought the car without having test driven it. I think that's nuts.

And I'd also mention that Joshua Houdek mentioned that car companies are finally starting to run ads advertising these cars, which will increase demand. So, I think advertising and creative sales people on the sales floor would help sell the cars.
Also, there's a consumer report comment in your docket already dated December 6, 2019. They're testing and member survey data showed that electric vehicles often have superior acceleration and owner satisfaction than conventional gasoline powered vehicles in the same class.

They also report that the EVs lower center of gravity supports superior handling. These features make me feel safer in our Bolt. And this report matches our experience with our 2019 Chevy Bolt.

I really, really like the car. And I can report how hard it was to find one in the Twin Cities with the features I wanted.

I find it really easy to merge onto freeway ramps because of that rapid acceleration and it's nimble to easily avoid objects in the road because it moves so quickly so fast. I had no trouble starting it in this recent cold snap.

And this car saves us time and hassle, we don't have to stop at gasoline stations anymore, we don't have to take it in for maintenance, as people have pointed out, and I really don't miss getting the smell of gasoline on my gloves or my hands or inhaling it at the gas pump.

I simply plug it in every few days
when I come home, couldn't be easier, into the garage
wall outlet and I'm done and I go in my house. Our
family has fully subscribed to the Xcel's wind source
program.

I agree with the previous people who
said that maintenance is so limited. The first time I
picked up the owner's manual and looked at maintenance I
almost burst out laughing, windshield washer fluid and
keeping the tires filled with air and rotate it. This
makes the car really convenient.

And the third reason, of course, to
me is health. Again, people have talked about the
pollution, how many premature deaths is caused annually
and people have mentioned how many deaths are in
Minnesota.

The MPCA technical document even
estimates how many premature deaths could be avoided
over ten years. I'm also remembering that I just went
out for a walk several days this last week. And walking
outside my home is sometimes affected by the smell of
car exhaust, it's not pleasant.

And there's a row of organic gardens
next to this road where I walk. I think about all those
particles that are falling on that food that people eat
as well in the summertime.
A large part of Minnesota was just under an air alert due to particulate matter, the previous speaker just mentioned that. And it also included the tribal nation of Prairie Island, a nation which is already burdened with nuclear waste stored on their island.

This is not the future I want to be living in in Minnesota. I want to continue to work towards cleaning up our air. I would welcome additional charging stations around the state.

And since this rulemaking would not take effect until model years 2025, it's unreasonable to have some commenters commenting comparing the number of charging stations that exist today as a reason not to enact these rules.

Thank you for listening to me. I support this rule because we need to address climate change, consumers deserve choices when it comes to what kind of fuel source car they want in order to reduce air pollution to address public health. Thanks.

THE JUDGE: Thank you very much. Aaron Hurd, you are next. Sorry, my screen is moving around. Mr. Hurd, I have a black screen over you, I don't have a camera on, but if I can hear you that's fine.
AARON HURD: Yes, can you hear me and see me now?

THE JUDGE: I can now see you and hear you. Okay. Go ahead and state your name and spell your first and last, please.

AARON HURD: Thank you, Your Honor.
Hello, my name is Aaron Hurd, name is spelled A-a-r-o-n, H-u-r-d, as in Delta. I'm a resident of Minnetonka, Minnesota and I'm speaking on behalf of myself in support of adopting the Clean Cars Minnesota rule.

My comments are approximately four minutes and 45 seconds long. And I want to address two points today about the need for and reasonableness of the Clean Cars Minnesota rule.

My first point is that this rule is needed because it corrects a market inefficiency. I drive a 2019 Hyundai Ioniq plug-in hybrid. Because my vehicle is a plug-in hybrid most of my in-town commuting is on electric power. Substantively, all of my charging is done at home from a standard 120 volt outlet.

And I fill up my gas tank approximately every 1,500 miles usually when I'm taking a longer road trip. Several times a year I drive my car from the Twin Cities to Des Moines and back. Even in the winter my car makes the entire roundtrip using a
single 11 gallon tank of gas.

And in the interest of correcting the perception that clean cars are expensive, I purchased my vehicle new with the upgraded trim, including leather and heated seats, for approximately $20,679 after tax. I wanted to buy this car in Minnesota, but I couldn't.

Because Hyundai sells many of it's EV and PHEV cars only in states that have adopted the Clean Cars standard, Hyundai and the Hyundai dealerships I talked to wouldn't sell this car in Minnesota.

So, I was forced to purchase this car from a dealership from out of state. In my case that was Maryland. That means that the State of Minnesota lost the opportunity to have the money I spent stay in our community and create jobs and support local industry.

I'm certain that I'm among hundreds, if not thousands, of people every year who are forced to take their money out of the state of Minnesota to buy the cars that they want.

So, the money we spend on electric cars is already flowing out of the state. Unless and until we adopt the Clean Car standards, this market inefficiency will continue and an ever increasing number of Minnesotans will end up taking their dollars out of
state to purchase their cars.

The second point that I would like to make is about how the Clean Car standards will benefit greater Minnesota and address questions of reasonableness that I hear raised from time to time.

I've heard a lot of criticism that adopting the Clean Car standards is not reasonable because the Clean Car standards will only benefit people in the Twin Cities.

This is based on the fact that people living in greater Minnesota have different needs than people living in the Twin Cities.

They need larger sedans and SUVs. They need vehicles with extended range. They don't have as much access to public electric vehicle charging infrastructure. And all of these concerns are valid.

But a point that frequently gets ignored, often in bad faith, is that not every electric vehicle is a Nissan LEAF, a Chevy Bolt or a Tesla.

Maybe someone in rural Minnesota needs a compact sport utility vehicle like the Subaru Crosstrek PHEV or the Toyota RAV4 Prime or maybe they need a comfortable mid-size sedan that can get their family across the state like the Kia Optima or Hyundai Sonata plug-in hybrid.
Or maybe they just want to drive a super cool, super efficient Hyundai Ioniq. Every single one of the cars I listed is a plug-in hybrid. For around town trips these vehicles have between 17 and 42 miles of electric range.

Every single one of them requires no charging infrastructure beyond a standard 120 volt outlet. They charge at night when power is abundant. While charging they put about as much load on the electric grid as a residential dishwasher.

If someone wants to go on a longer trip every single one of them has at least 480 miles of range before needing to fill the gas tank.

And including federal tax credits, the most expensive of these cars is about $31,000. And this is list price. And from my experience, consumers often end up paying less than list price for cars.

Clearly the characterization that electric and plug-ins are vehicles that nobody wants, have limited range, overburden our power grid, require homeowners to make expensive upgrades to their homes and are wildly expensive are all false.

The cars that I just mentioned are all affordable, desirable options for a single car household or for a family living in greater Minnesota.
The other thing that these cars have in common, none of these vehicles can be purchased in Minnesota because they were only sold to cars that have adopted the Clean Car standards.

Minnesota adopting the Clean Car standards would provide the incentives to fix this and make clean cars that people want and can use available in Minnesota.

This concludes my comments. I want to make one correction for the record. The price that I paid for my vehicle was $20,679 and that was after the tax credit, not including sales tax. Thank you for the opportunity to testify. That's the end of my comments.

THE JUDGE: Thank you very much. Our next commenter is Alyssa Tsuchiya. I have you started, I have a blue dot covering you, so I don't see you.

ALYSSA TSUCHIYA: Yeah, I have two cameras -- oh, there we go, I think that will work.

THE JUDGE: There you go, I've got you. State your name and spell your first and last, please.

ALYSSA TSUCHIYA: Thank you for the opportunity to weigh in, Your Honor. My name is Alyssa Tsuchiya, that's A-l-y-s-s-a, T-s-u-c-h-i-y-a. I'm with the Union of Concerned Scientists, UCS.
We are the nation's leading science based on (audio interruption) being vigorous, independent science work to solve our planet's most pressing problems.

On behalf of our more than 1,600 supporters in Minnesota we strongly support the Pollution Control Agency's rule to adopt the low-emission vehicle standard and zero-emission vehicle standard.

The LEV standard would require automakers to sell vehicles that are less greenhouse gas emitting year over year. It complements the federal greenhouse gas emission and criteria for these standards for cars and trucks. Together the federal fuel economy and greenhouse gas emission standards for light-duty vehicles represent the largest policy action to reduce greenhouse gas emissions in the United States.

COURT REPORTER: Ms. Tsuchiya, this is the court reporter, you need to slow down, please.

ALYSSA TSUCHIYA: Sure.

THE JUDGE: I learned that the hard way myself.

ALYSSA TSUCHIYA: My testimony butts up on five minutes, so I'll find places to cut.
Minnesota is already experiencing the impacts of climate change driven by combustion of fossil fuels.

The recent greenhouse gas inventory confirms that the transportation sector is the largest source of global warming pollution in Minnesota. It is more important than ever to take action.

Adoption of the LEV standard would ensure emissions from cars and trucks decrease as we strive to meet climate goals, such as the State's Next Generation Energy Act, which we're currently not on track to achieve.

The zero-emission vehicle standard ensures that automakers research, develop and market electric vehicles. It's considered one of the nation's most forward looking climate policies and a driving force behind the expanding electric vehicle market.

It's a solution that will help address both air quality and climate change as plug-in EVs charged on the electric grid that includes Minnesota generate about half the global warming emissions of average gasoline powered cars and don't emit any health harming tailpipe pollution when driving.

While the impact will be small initially, the most important part of adopting the ZEV standard will be to put Minnesota on a clear path
towards lower emissions.

Policies that promote transportation electrification, which is the LEV and ZEV standards, are crucial because air pollution from vehicles on Minnesota's roads poses a significant and equitable public health problem.

We recently modeled PM 2.5 for particulate matter pollution on Minnesota's roads from all cars, trucks and buses and found that the pollution burden is inequitably distributed among racial and ethnic groups in the state.

While the scope of our study was broader than just passenger vehicles, which is under this regulation, the result helped to estimate how exposure to PM 2.5 varied among groups and locations.

Across the state African Americans are exposed to 65 percent higher PM 2.5 concentrations than the average PM 2.5 exposure for all Minnesotans. Latin residents experience concentrations 28 percent higher than the average resident. And white residents have an average exposure that is 9 percent lower than the average for the state.

Minnesota should use clean vehicle policies to reverse the history of local, regional and national decisions about transportation, housing and
land use that perpetuates inequitable air pollution burdens.

With the multiple benefits of EVs it is easy to see why interest in them is quickly growing. EVs sales grew 103 percent in Minnesota from 2017 to 2018.

A recent poll from UCS and Consumers Reports confirms that a majority, 59 percent, of potential car buyers have some interest in purchasing an electric vehicle, that's just Minnesota, and 30 percent who say that they would consider buying one in the next two years.

It also showed consensus from prospective Minnesota car buyers, 66 percent, that automakers should make plug-in electric vehicles in a variety of types, such as SUVs, pickup trucks and mini vans.

This information can hasten the transition to clean transportation by adopting the LEV and ZEV standards to ensure Minnesotans have access to a diverse choice of less polluting cars and trucks, which will help to address the unhealthy air pollution and climate change emissions.

The Clean Car standards are ambitious, but feasible. And Minnesota is well
positioned to take advantage of their benefits. Thank you.

THE JUDGE: Thank you very much.

What I'm going to do is do two more speakers, five minutes each to get us to 7:00 and then we're going to take a break because the court reporter has been going for a lengthy period of time.

And then, if I could actually get -- while we're leading up to that and on the break, if I could get the next five commenters listed out.

So, I'm going to take Stacy Nordstrom next and then Pdon Pinkham after that and then we'll move on from there. Ms. Nordstrom?

STACY NORDSTROM: Yeah, thank you.

Can you --

THE JUDGE: I can hear you. Go ahead, state your name, spell your first and last.

STACY NORDSTROM: Thank you. My name is Stacy Nordstrom, that's spelled S-t-a-c-y, N-o-r-d-s-t-o-m. I will be speaking about the need for this rule.

I'm a Minnesota EV owner and I support Clean Cars Minnesota. I've owned and driven electric cars for three and a half years and over 30,000 miles. We bought our first electric vehicle, a Chevy

My parents still farm in rural Southeast Minnesota, Mower County, and we drive over a hundred miles to visit in our EV all the time, even in negative 25 degree weather.

We love it. We have already saved money on fuel and maintenance. We charge using solar and wind power right in our garage.

I also have asthma. And as this weekend's air quality alert reminded me, air pollution is a very real issue for everyone in Minnesota. And vehicle emissions are a large contributor to air pollution in our state.

I wish I could say buying our EV was an easy process, but it was extremely difficult. Dealers were uncertain when or even if they could get any in. And those that did sold out of them faster than they could secure vehicles.

We were honestly just days away from driving to Chicago to buy one when we managed to find one here in Minnesota. It shouldn't be that hard. And this was over a year after the same vehicle was widely available in Clean Car states.

This isn't a problem of the past either. Just last Friday I was speaking with my
coworkers, many are interested in switching to plug-in hybrids or full EVs.

Several were interested in specific EV models, like the Hyundai Kona EV and the Kia Niro EV, but were frustrated to learn they aren't even offered here in Minnesota. At least one is seriously considering going to California to buy a vehicle and drive it back here.

Those are real dollars leaving Minnesota, leaving our community. Many people don't have the means or option to do something so extreme.

This rule is about consumers choice and access, giving Minnesotans more options. Making Minnesota a priority in the eyes of manufacturers will improve things for everyone.

We have zero regrets about buying our EV, it's better for us, it's better for our community and it's better for the environment. I want that to at least be an option for more Minnesotans. Thank you for your time.

THE JUDGE: Thank you very much. And then, it looks like Mr. Pinkham is next. If I could have you unmute yourself and state your name and spell your first and last name.

PDON PINKHAM: Hi there. Can you
hear me?

    THE JUDGE: I can hear you, thank you.

    PDON PINKHAM: Thank you, Your Honor, for this opportunity. My name is Pdon Pinkham, spelled P-d-o-n, P-i-n-k-h-a-m. Let's see, the reason that I'm here is because I think that we should definitely get the Clean Car standards in Minnesota.

    Since 2012 my wife and I have owned electric vehicles and it's really important to us that we drive them. We're really into the environment and that kind of stuff.

    But the other thing about them is they're neat. The first two we bought were hybrids by Mitsubishi and they can only go 62 miles on a charge. So, that's kind of been a challenge.

    In 2019 we got a Tesla long range so that we could go on trips, go around the cities and stuff and not have to charge all the time and things. And also, it really helps in the winter to have that much energy.

    A couple things that I wanted -- oh, also, we've gone about 130,000 miles on EVs and certainly helped the environment.

    A couple of things I wanted to say,
one is that I have a friend and my friend -- well, I have more than that, but my friend that I was going to talk about wanted to buy a Honda Clarity. And he couldn't find one in Minnesota, so he had to go to another state to buy one. So, I know it's a problem from that point of view.

The other thing that I noticed is that my church, we have what we call an EV expo where we try to get people to drive and see and experience what an EV is like and stuff.

So, I've been going around each year that we've done it for two years and trying to find out if I can get Hyundai, Honda, different cars that would be really nice to show there.

And when I go there the people just look at me like, "No, we don't have anything and it's not going to be a possibility that you can have something like that for people to test drive."

So, I know it's a major problem for Minnesota. So, I really very, very strongly support it. And thanks for letting me say my word. Good luck to you guys.

THE JUDGE: Thank you very much. So, we are going to take a break now. Because we're getting closer to the end of the hearing and I want to fit in as
many people as I possibly can, what I'd like to do is

take about a five-minute break, give the court reporter

just a little bit of a chance to recharge her own

batteries.

And then we'll come back and the next

speaker will be Gail LaRue. So, if you can be ready to

go right when we come back in five minutes. We'll come

back at 7:01. So, we're adjourned until 7:01. Thank

you.

(At this time a brief recess was taken

from 6:56 p.m. until 7:01 p.m.)

THE JUDGE: It looks like our next

speaker Gail LaRue is not in the participants list at

the moment. So, what I'm going to do is skip Ms. LaRue

and if she gets back on the call we'll try to get back

to her yet this evening.

I'm going to go with the next person

who is scheduled to speak, that is Kay Erickson.

Ms. Erickson, if you can unmute yourself and turn on

your camera if you're able to do that.

I'm seeing Ms. Erickson as a

participant, but I'm not getting the audio or video feed

eright now. And then I want to highlight the next person

Martha Wittrock, Scott Adams and Marlin Faye are the

ones after that.
So, Ms. Erickson, are you there and are you able to unmute your line and turn on your video, please?

KAY ERICKSON: Yes, I'm here.

THE JUDGE: All right. Go ahead and, Ms. Erickson, state your name, spell your first and last names, please.

KAY ERICKSON: My name is Kay, K-a-y, Erickson, E-r-i-c-k-s-o-n. And I thank you, Your Honor, for the chance to talk.

I am a member of the Lakeville Minnesota Friends of the Environment. And our group has been working in several different ways to help the city of Lakeville become more environmentally friendly. And I'd just like to give you my personal experience.

In December of 2019 I started looking for a plug-in hybrid car that would have space for my grandchild's car seat and stroller, as well as my mom's walker, being the sandwich generation.

And I settled on the Kia Niro, but I had exactly two to choose from in all of the Twin Cities area. And they were both black, which was my dead last choice in color. But Luther Kia, Inver Grove Heights, was able to find one down in Mankato, it was silver, acceptable, but not my favorite color.
But anyway, I bought it. And when I
was going through that process I just kept thinking
anybody looking for any other car would not be having
the hassles that I have looking for a car that's
environmentally responsible.

So, I strongly support the Clean Car
rule. It would give our eco-conscious buyers more
choices. And I'd really like to support the local
dealers.

And I just have one small comment
about people who are worried about -- I've heard the
MPCA is shoving these down our throats and not letting
the legislature weigh in. But our legislature already
passed the laws that set the goals.

And so, the MPCA is just setting the
rules that will help Minnesota reach these goals. So, I
really feel that these need to be accepted and put into
practice here in Minnesota. Thank you.

THE JUDGE: Thank you very much.
Martha Wittrock, you are next.

MARTHA WITTROCK: Hi, let me get my
camera turned on here.

THE JUDGE: Thank you. By this time
you know the drill, so when you get going you can spell
your name for us.
MARTHA WITTROCK: Thank you. Hi, my name is Martha Wittrock, that spelling is M-a-r-t-h-a, W-i-t-t-r-o-c-k. I'm a Minnesota EV owner and I support Clean Cars Minnesota. I have driven my electric car for five years and over 40,000 miles.

First I want to speak to the need for and reasonableness for the rules. I support Clean Cars because I think we need to enable consumer choice and make sure Minnesotans are not left behind in the availability of EV car manufacturers.

When my husband and I started looking for our first EV back in 2016, we had a really difficult time finding something that we liked. We weren't satisfied with the current EV selection in Minnesota, so we found ourselves wanting a Volkswagen e-Golf, which is only sold new in states with the ZEV rules.

We almost purchased and shipped a new e-Golf from a California dealer who was willing to sell one to me after a couple of other phone calls to other out-of-state dealers and declines from those dealerships.

That would have cost thousands more dollars for shipping costs and would have put our dollars in the pocket of a California dealership instead of a Minnesota dealer.
Luckily last minute we were able to find a dealer in Minnesota who sold used versions of the e-Golfs. They bought those and shipped those in from California. And luckily they had one that we were happy with.

Fast forward to now, my husband and I love our current EV, now we want to replace our second gas car with another EV. Again, however, we're struggling to find a vehicle that meets our needs.

Currently the quantity of EVs we have available in Minnesota that meet the criteria of what we're looking for is about half of what's available in other parts of the country.

So, we're currently waiting, crossing our fingers that something becomes available in Minnesota by the time our current car bites the dust before we're forced to purchase out of state.

My coworker has a Kia Niro EV, which would fit our needs, but he shipped it in from Upstate New York. He loves it and I would be interested in one, we just don't have them here and I don't want to hassle with an out-of-state purchase if I can avoid it, nor should I have to.

Also, if Minnesota was the first Midwest state to enact these rules, not only would
Minnesotans have the same choices that others in the U.S. have, we'd also be the first state in the surrounding area with these choices.

So, just think of how many cars some dealerships will sell for our neighbors in surrounding states who don't have the choices. Let's be a leader.

I already have seen a firsthand example of this. A good friend of mine who lives in Iowa and he's so convinced by how much my husband and I love our e-Golf that he actually purchased his own used one from the same dealership in Minnesota that we did and he shipped it down to his home in Iowa.

Also, I wasn't originally planning to touch on the health benefits of EVs in general, but I couldn't help pointing out the obvious that there was an air quality alert this weekend for southeastern and south central Minnesota, including the metro.

Picture all those gas cars you see idling in the winter to warm up in the morning to keep passengers warm as they wait in their car. EVs have zero tailpipe emissions at all time. I don't need to elaborate on that any further, the rest speaks for itself.

Finally, to comment quickly regarding the Agency's authority, the MPCA was established by the
legislature to give the authority to control pollutions in this state.

   Its mission is to protect and serve the environment and human health. Transportation, including cars and trucks, are a number one source of greenhouse gas emissions. These emissions are a dangerous source of pollution.

   So, I think MPCA is well within their authority to put those rules in place to reduce pollution and protect our health.

   A final thing that a lot of people have commented on is having the rule with the credits up front. I do agree that it's unnecessary to delay the urgent change and that the manufacturers have plenty of flexibility in the rules that the MPCA has come up with.

   The MPCA has done their due diligence in benchmarking other current practices and I think they really struck a balance between making sure the rule is successful while maximizing the impact for our state. That concludes my comments. Thank you.

   THE JUDGE: Thank you very much. Our next commenter is Scott Adams. I'm not seeing him on the list, I'm wondering if the Agency can tell if he's left the call or if he's still here?

   KATIE IZZO: Your Honor, I do not see
Scott Adams or Marlin Faye. I think we might need to move past them and if they pop in the queue I'll put them back in.

THE JUDGE: Then we will come back --

I'm sorry?

MALE SPEAKER: Scott did opt out some time ago.

THE JUDGE: Okay. I saw that but then some people come back in, so I wasn't sure. And then, Marlin Faye we also don't have, so I'm going to go to Rob Hoffman next, if he is available.

KATIE IZZO: I also couldn't find that name, unfortunately.

THE JUDGE: Okay. Then we'll go to Pete Kennedy, who I know is available, I can see his name on the list. Mr. Kennedy, thank you for patiently waiting. Are you unmuted?

PETE KENNEDY: I believe I am, Your Honor.

THE JUDGE: You are, and I can see you too, also. Great. So, please state your name, spell your first and last.

PETE KENNEDY: Good evening, thank you, Your Honor. My name is Pete Kennedy, P-e-t-e, K-e-n-n-e-d-y. I'm a resident of Murdock, Minnesota in
Swift County squarely in rural Minnesota. And I'm an EV owner and I'm here to speak in support of Clean Cars Minnesota.

As others have alluded to this evening, EVs are desirable out in this part of the state. Obviously we drive more miles than anybody else in the state out in rural Minnesota.

And it only makes sense to put the low-emission, high mileage, high MPG cars where we drive the most miles out in rural Minnesota.

My wife and are owners of a 2017 Volt. And we're not buying $100,000 Tesla, we wanted a reasonably priced car that was reliable that would get us where we want to go. And it's a perfect car for us.

We've got a battery, it's a plug-in hybrid, so the battery handles most of our commute. And if we need to go farther the gasoline engine takes over and we can go as far as we want to go on gas.

I want to speak to the reasonableness and to the authority of the MPCA in making this rule. This has been mentioned before, but the MPCA is not going around the legislature on this rule.

The legislature passed legislation in 2017 to direct the MPCA to do this. And we're 13 years behind. So, what have we been waiting for?
Past administrations haven't implemented this and we need to get going, we need to have this rule in place. We can't wait any longer.

As others have spoken to tonight, climate change is becoming a crisis. Just look what happened down in Texas this last week. We're facing a crisis and we got to get going.

The reasonableness of the rule, obviously the LEV standard is kind of a red herring from the auto manufacturers and the car dealers. The auto manufacturers have really argued the side that they're going to produce LEV vehicles.

So, there aren't going to be pickup trucks in Fargo that they can't sell in Moorhead and vice versa. Basically everybody in the country is going to have those vehicles that are -- comply with the LEV standard.

And the ZEV standard, maybe it's a little bit out there, but it's reasonable for the State to regulate vehicles. We regulate vehicles in all ways, shape and form. We regulate speed, we regulate weight, we regulate tailpipe emissions now.

It's reasonable for the State to regulate those emissions from cars. We got rid of lead in the '70s and that was because of public health
reasons. And I don't think anybody, even auto
manufacturers, wants to go back and put lead in
gasoline.

Any regulation is met with resistance
by industry. Look where we were ten years ago with
smoking in bars and restaurants. If you believed the
industry trade groups there weren't going to be any more
bars and restaurants, they would all go out of business.

Arguably now they're stronger because
we don't have that harmful effect of smoke, secondhand
smoke for the workers and the people in the bars and
restaurants.

So, again, the benefit of this is
great on a lot of different fronts. And not the least
of those, there's a social justice aspect of this.
Other people touched on this as well.

Electricity is a regulated industry
in the state of Minnesota. So, the cost to drive an
electric vehicle is not going to be subject to the whims
of oil companies and the pricing that can vary widely.
It's going to be set by the Public Utilities Commission.

And it will be much more equitable
for everyone in the state to have that price control and
that certainty of what it's going to take them to drive
an electric vehicle. Thank you. That's it for my
comments this evening.

    THE JUDGE: Thank you very much. Our
next speaker is Barb Thoman.

    KATIE IZZO: Your Honor, for some
reason the software won't let me make her a panelist, so
I'm going to manually unmute her. Barb, I don't think
you'll be able to use video, but you should be able to
speak.

    THE JUDGE: See if that works. Barb,
are you able to hear me? And can you say something so I
can see if I can hear you?

    BARB THOMAN: Can you hear me?

    THE JUDGE: I can, thank you.

    BARB THOMAN: That's too bad. Good
evening, Your Honor, my name is Barb Thoman. My name is
spelled -- can you still hear me?

    THE JUDGE: I can hear you. I had
mispronounced your name before and I apologize.

    BARB THOMAN: That's fine. So, my
first name is B-a-r-b, my last name T-h-o-m-a-n. I live
in St. Paul and I'm retired.

    I hope that Minnesota will join the
14 other states in adopting the so-called Clean Car
standards. When I purchased my most recent car I
couldn't find the plug-in hybrid that I wanted and I was
told that very few of these cars were allocated to dealerships in Minnesota.

So, I bought a regular hybrid. And the mileage of my Kia Niro is not as good as it would have been if I had been able to purchase a plug-in hybrid. I hope that these Clean Car standards will make lower emission cars more available to people in Minnesota.

I live three blocks from a high-traffic interstate highway. I live a few houses from a high-traffic collector street. And too often I smell car exhaust while I'm outside in my yard.

More low-emission cars will reduce the risk of cancer and heart disease where I live and it will help our state reduce greenhouse gas emissions and the terrible consequences of climate change.

Two years ago I traveled to Norway and I spent two weeks there in the wintertime. And Norway is similar in size and in population to Minnesota. The country has a very high percentage of electric vehicles.

And those vehicles performed well in the country's mountainous terrain and during it's very severe winters. So, thank you very much for taking my testimony.
THE JUDGE: Thank you very much. And our next speaker is Karolyn Zurn.

KAROLYN ZURN: Hello?

THE JUDGE: Hello, Ms. Zurn, I can see you now. Excellent. State your name, spell your first and last, please.

KAROLYN ZURN: Karolyn Zurn, K-a-r-o-l-y-n, last name Zurn, Z-u-r-n.

THE COURT: And we're getting -- you're breaking up just a little bit when I'm hearing you. So, I may jump in and ask you to repeat something. Okay?

KAROLYN ZURN: Okay. So, did you get my name?

THE JUDGE: Karolyn Zurn, got it.

KAROLYN ZURN: Thank you for taking my call. I really appreciate it. It's been a long day. The good thing is I'm probably the last one on the sheet. I don't know.

But anyway, thank you so very, very much. I am calling because I am against the mandate. I am not against people wanting to drive whatever they want to drive.

However, here I am, Karolyn Zurn, and I'm part of the largest environmental and conservation
group there is in the world, but I'm part of American farmers. And that's what we do is we farm and we ranch.

So, we've heard a lot of associations and groups saying how large they are. When you think of the farmers and ranchers within our nation, but look here in Minnesota and what we do.

I am also speaking right now for the Minnesota Agri-Women, which I have been president for five years, I'm a past president now. I'm involved with a lot of agriculture groups. And I feel that I have the right to actually testify for something like this.

I have nothing against electric cars, I have nothing against what people want to do, but rural America has been slammed over and over and over. And we struggle to keep alive with our -- with the products that we grow.

And we grow soybeans and corn is one of ours. We have many, but that's one of them. So, we're the original clean air proponents. So, we have biodiesel and we have ethanol.

And both of those have reduced our emissions, like, 80 percent within the state of Minnesota. And our biggest supporters are the Heart and Lung Association. Okay. So, anyway -- can you hear me? All right. I'm getting tired.
THE JUDGE: I know, it's been a long day.

KAROLYN ZURN: That's fine. I've really enjoyed listening to the other speakers. So, one of the things that I'd like to bring up is that the farmers and the growers within Minnesota, like I said, they are the most environmental and conservation prone group in America. And here we are right here in Minnesota.

So, one of the things that by being a proponent of the electric car and stating how good it is compared to what we already have, I'm asking, why aren't these people already using biodiesel and ethanol?

We have the New York people that love the Midwest farmers because we actually saved their industries for fuel oil. They were cutting out all the fuel oil, their fuels, everything, the ma-pa industries that were selling fuel oil.

And up and down the East Coast those people were actually asked to go to a different type of service for their fuel. And it was maybe $10,000 to change out their furnaces and that type of thing. They couldn't afford it.

The Midwest farmers came in with the biodiesel. Biodiesel could be changed and they wouldn't
have to change any of the furnaces or anything.

So, here in Minnesota you already have that. We have in rural Minnesota, we have electrical outages constantly. We're already up against the thing in rural Minnesota, we have the broad band that is not put in place. All of these kind of things we fight against.

And so, the one thing that we can do is create a crop and we can create food for all of the people in the cities that I've heard testify tonight.

We have these outages for maybe two weeks at a time. Whereas, if that was in the cities maybe those would be repaired faster. We need to go for parts and that could be a two to three-hour drive.

So, do we say let's not get our combines running and possibly we'll get them going in a couple days? Because we have to plan out when we're going to drive and plug into our electrical ports along the way.

It's not doable for rural America. The other thing is, I've been out to California, they needed 265 electrical ports. And they've been honest for quite a while, they've only got 65 ports.

How long is it going to take us to get more ports within Minnesota? And yet, we want to go
with the California rules, I think that's something that we really need to look at.

THE JUDGE: I'm going to ask you, Ms. Zurn, if you can wrap up your comments. You're a little over five minutes and I want to be respectful of the folks who are waiting behind you.

KAROLYN ZURN: You bet. So, here we are as well with the cold weather. And, yes, we do know that the battery powered vehicles -- and this is against that and I really don't care because I'm not going to buy one.

But the point is that we need the minerals that go in those batteries. And we keep shutting down more of our mines who provide that.

So, we're going to be going over to other countries to provide those minerals for those batteries. Thank you very much.

THE JUDGE: Thank you. I have one clarification, Ms. Zurn, while you're still with us. Agri-Women, is that A-g-r-i-W-o-m-e-n?

KAROLYN ZURN: Slash W-o-m-e-n. We have an American Agri-Women and we have several groups and states underneath us as well.

THE JUDGE: Okay. Thank you very much. Next speaker is Douglas Seaton.
KATIE IZZO: Your Honor, I believe he's joined by phone. I'm going to unmute him.

DOUGLAS SEATON: Thank you, Your Honor. Can you hear me?

THE JUDGE: I can. Please state your name, spell your first and last name, please.

DOUGLAS SEATON: It's Douglas Seaton, that's S-e-a-t-o-n for the last name, Douglas, D-o-u-g-l-a-s. And I'm here with the Upper Midwest Law Center, that's my law firm. I'm representing the Center of the American Experiment, which is submitting comments that we hope the ALJ will consider.

I'm an attorney. Our comments are in two parts. The first -- what I will do tonight is comment on the legal issues, obviously I'm the lawyer. We will also submit a short letter brief that summarizes these issues and gives the ALJ more information, case citations and legal arguments along the lines of what I'm summarizing here.

We will secondarily submit comments from Isaac Orr of the Center of the American Experiment, which will address the fatal economic and environmental issues in the -- in connection with this rulemaking as well.

The basic legal position we take is
that there is simply an absence of federal law authority
and state law authority for the MPCA to proceed in the
fashion it has.

We are still a republic of laws and
we are supposed to be operating under legislative
enactments which authorize bureaucrats to proceed with
rulemaking. Bureaucrats do not rule our lives, our
elected representatives do.

And despite what some have said
tonight, the very vague authority cited by the MPCA is
no authority at all for what is being presented to the
ALJ in this rulemaking.

What I will say in two parts is that
federal law absence is lacking, federal law authority is
lacking. The Clean Air Act provides a comprehensive and
preemptive federal statutory and regulatory regime
related to motor vehicles. And no state can adopt rules
contrary to or even different than the requirements of
this federal plan.

This is the familiar preemptive
federal regime. It occurs in many other areas of law as
well. And when there is such a preemptive regime, the
State simply cannot act.

The only exception to this is a
waiver, which was permitted, it's a historic fact, it's
a former caveat, a state was permitted to proceed in a different way and California did so.

That waiver is no longer in effect. It has been revoked by law, by rulemaking and by a process that was challenged. That challenge was unsuccessful in federal law. So, there is no waiver outstanding under which Minnesota can act.

So, the idea that we can proceed under the California waiver and somehow have this suspended until the proposed speculative revocation of the revocation, so that the waiver is back in effect, is simply not legally recognizable by the ALJ.

We think your initial comments about whether there is legal authority for this proceeding is simply to be answered in the negative.

The MPCA and the Minnesota Attorney General agree, have admitted that there is no current waiver in place. There is no basis for Minnesota to proceed with these rules. That means they should be disallowed.

If there is ever a basis for this waiver to be reinstated, then a rulemaking could proceed under this federal issue. But even if this were the case, Minnesota is still a self-governing state, we hope.
And in self-governing states of our federal republic there must be legislative authority to act. We have numerous cases we cited in our paper that indicate that there is no such legislative authority.

This vague pronouncement about goals that is cited by the MPCA and the Attorney General in a related proceeding for the -- as authority for this proceeding is simply inadequate entirely.

And a long period of Minnesota Supreme Court decisions indicates that this kind of authority is no authority at all. There must be a direct legislative grant of authority for bureaucracy to proceed with rulemaking in this fashion.

These rules are telling people what they have to buy, what they have to stock in their inventory, what they have to make available for sale. And by implication, what they can't anymore offer for sale.

These are draconian measures and they cannot be enacted without extreme and explicit statutory authority. They might even then be challenged as beyond even the scope of the legislative authority. They certainly have not passed it at the legislature.

As you will see, the Minnesota legislature, we cited chapter and verse, has no such
authority to act. And this vague pronouncement about
goals and what we have to do in general, goal statement
in a generic way, is not adequate as a way to authorize
this type of rulemaking.

So, Your Honor, I submit in
closing --

THE JUDGE: Good, you're right on
your time.

DOUGLAS SEATON: I submit that these
fatal deficiencies in the MPCA's federal and Minnesota
statutory authority to proceed with these rules require
the determination that the rules should not be issued.

And further comments, we'll submit
these under separate cover at a later time of CAE's
Mr. Orr, which we will submit hereafter, will also
demonstrate that the rule is economically detrimental to
Minnesota and has negligible environmental impact on
Minnesota.

Despite the testimony of many
well-meaning hobbyists tonight, there is no real
environmental impact that will be significant to
Minnesota and the world in these rules.

Thank you for hearing me out on this
matter and we'll submit our other materials and my
letter at a subsequent time. Thank you.
THE JUDGE: Mr. Seaton, before you go, if you could get -- are you still there, Mr. Seaton?

DOUGLAS SEATON: Yes, I am.

THE JUDGE: Mr. Orr, it sounded like someone you were submitting something from and it was Mr. Orr. Is that O-r-r?

DOUGLAS SEATON: It's O-r-r, yes, Isaac Orr. And he'll be submitted under my signature, but we will submit those within a matter of days before the March 15th deadline.

THE JUDGE: Okay. Thank you very much. Our next commenter, Simon Mui, M-u-i?

SIMON MUI: Hi, good evening.

THE JUDGE: Thank you for waiting. Go ahead, state your name, spelling your first and last.

SIMON MUI: My name is Simon Mui, spelled S-i-m-o-n, and last name M-u-i. Thank you, Your Honor, for the opportunity to speak today, as well as thank you to MPCA staff for working on such a critical important issue.

I represent Natural Resources Defense Council, I'm the deputy director for the clean vehicles and fuels program here and I am representing over three million members across the U.S., as well as 14,000 members in Minnesota. And I have been working on clean
car policies the past 20 years.

As a person whose family members have suffered from asthma and respiratory illnesses this is really a critical program. As you've heard from others, transportation is now the largest source of greenhouse gas emissions, as well as a major source of public health harming pollutants.

We do see tremendous benefits from Minnesota Clean Cars. We do see authority as well from Minnesota, similar to 14 other states that have adopted Clean Cars throughout the country.

I will just also note from a legal perspective, the federal case that was mentioned earlier that automakers have even dropped off of that challenge to waiver authority and the Biden administration has stated that they will revisit that decision from the Trump era.

However, I will just say we see tremendous reasons to adopt this from Minnesota. The greenhouse gas benefits and criteria mission benefits outside the Chuck Shulock consulting report, which we will submit shortly, showing annually millions of greenhouse gas emissions avoided and thousands of tons of criteria pollutants being avoided.

Vehicle choice, all of Minnesota and
consumers will still have access and be able to purchase cleaner, more efficient internal combustion engine vehicles and they will also now have more choice of electric vehicles.

Our survey of Minnesota dealerships shows that out of the 43 models available last year, only 19 models were available in dealership lots in Minnesota within a 200-mile radius of Minneapolis. And as you go further out to Duluth, only a handful, around six models being available.

Adopting zero-emission vehicles will help ensure manufacturers are making their best products available to Minnesota.

Consumer savings has been discussed. I'll just emphasize, those savings are even larger for folks driving larger vehicles just because of the improvements to fuel savings in larger vehicles, as well as those in rural areas that have to drive further distances and will face lower cost of ownership.

Just in terms of why it's important for Minnesota to go forward, even under a federal new administration, we don't think it's sufficient to simply say states shouldn't take action and just wait for the federal government to take action.

Nor is it sufficient, as others have
said, that the entire EV ecosystem and policies need to be in place in Minnesota before you can adopt these standards. All of these work in tandem. They can be co-existing and complementary between state and federal policies.

And the federal program does not include a zero-emission vehicle program. US EPA isn't considering anything regarding that.

And finally, just having the certainty. Federal administrations come and go, they change policies, but Minnesota can and should have its ability to set its own -- have that environmental as well as product certainty they desire.

Finally, I'll comment in my last couple minutes here that the one-time issue of the credit allotment and issue of proportionality rates, like many others, we think it is reasonable for MPCA not to include proportional credits.

There's no legal requirement or strong policy reason why Minnesota should adopt proportionality, which would virtually -- the key benefits are eliminated in Minnesota.

The reason why is that they allow an automaker who sells a car in California and has done so in the past to use those credits now and multiply them
into other states. They're called phantom car credits for a reason.

If you're an automaker, why would you even want to bring a car into Minnesota that you not only get credits by bringing it into California, but by doing so you get the credit in Colorado, in Virginia and Minnesota.

It's like saying if you get an A in your English test, you automatically get an A on your Spanish, math and science class. And by the way, you don't even need to show up to class to get that A.

So, I just want to flag that certainly Minnesota's proposal around early credits we see as sufficient to provide that flexibility and to actually encourage vehicles placed in Minnesota.

We even see the one-time allotment of compliance credits for one year for free and without any guardrails as being unnecessary and actually allowing automakers to delay.

We support MPCA on a strong Clean Cars program to help with the climate, public health and consumer choices in Minnesota. And we thank staff and the Agency for its hard work on this important rule. Thank you.

THE JUDGE: Thank you very much.
Lydia McAnerney, you're next.

LYDIA McANERNEY: Thank you, Your Honor, for the opportunity to comment. My name is Lydia McAnerney, L-y-d-i-a, M-c-A-n-e-r-n-e-y. And I'm an advocate of this Clean Car rule.

I live in Minneapolis and I'm an advocate for climate justice, clean car technology, and more access to more electric vehicles in our state.

As you know, transportation is the largest source of greenhouse gas emissions in Minnesota contributing to climate change. More electric vehicles driven in our state could reduce greenhouse gas emissions by one million metric tons annually by 2030.

More EVs will encourage more people to buy EVs, which will encourage more charging stations, especially in areas where they're scarce. It's time for Minnesota to join the 21st century of automotive technology.

I've owned a 2020 Nissan LEAF for four months, which cost me $11,500 with current incentives and a trade-in. I love knowing I paid less for electricity these past four months to charge my car than I used to spend on one tank of gasoline for my plug-in Prius. I loved my Prius, but was really happy to go to a full electric vehicle.
People say cold climates are not good for electric vehicles, but I've not had any problem with ours. Incidentally, 54 percent of cars sold in 2020 in Norway are fully electric. Surely that's a cold climate.

When we wanted to buy an EV we wanted Hyundai Kona electric car, but there were none available in Minnesota. That is just wrong.

For these three reasons, cost savings, choice, and care for the environment I urge you to support the Clean Car rule to give us more access to a bigger variety of electric vehicles. This will save us money over the long run and reduce greenhouse gases, critical to dealing with climate change.

Let's align Minnesota with the other 14 states and District of Columbia and adopt these rules and keep Minnesota at the forefront of climate change mitigation. Thank you again for the opportunity to comment.

THE JUDGE: Thank you very much. And then Ralph Jenson, you are next.

RALPH JENSON: Thank you, Your Honor. My name is Ralph Jenson, R-a-l-p-h, J-e-n-s-o-n. And I live in Minneapolis. I've driven --

THE JUDGE: I'm having a hard time,
can you speak up a little bit?

RALPH JENSON: How's that?

THE JUDGE: Better. Thank you.

RALPH JENSON: Thank you for your time. My name is Ralph Jenson, R-a-l-p-h, J-e-n-s-o-n, and I live in Minneapolis. I've driven well over a hundred thousand wind sourced electric miles from my nearly nine years of driving electric cars.

I strongly support the Clean Cars initiative as a way to bring choices to Minnesota drivers. I don't like manufacturers telling me what kind of car I can drive.

When I was looking to replace my totaled Chevy Volt, that's with a V, which was my first electric car, I talked to people in Minnesota who had owned the Ford Focus electric.

I wanted to take a test drive. I contacted three dealers to schedule a test drive and likely buy the car. After all, I had a check from the insurance company and needed a car.

The dealer said come on down and take it for a spin. Two of the three dealers I went to had a Ford Focus gasoline version waiting for me to drive. One was even idling, warming it up for me.

It's the same car, they would tell
me, admitting that they had no electrics on the lot. And then try to convince me that I didn't want an electric car in Minnesota anyway.

    After the fool-me-twice rule kicked in, I called the third dealer before I showed up, now being very wary about making sure that when I said I wanted to test drive a Ford Focus electric, I meant electric.

    They informed me they didn't have one either, but they had many gas ones, which was what I really wanted to buy anyway, it gets excellent gas mileage.

    I thought about trying to get one from another state, but after figuring out that that would be too much of a hassle, I went to Nissan and bought a LEAF.

    As someone who loves driving and talking about electric vehicles, I'm frequently asked by people from all over the state about electric cars. It always saddens me when I look into their face when they hear that their favorite manufacturer doesn't offer electric vehicle -- their make of electric vehicles in Minnesota.

    They say they'll wait until they have their make available. When I tell them an electric
model is available in other states, they always ask why. And I have to explain about being in a manufacturer ignored part of the country.

It would be really nice for these people to have their favorite brands available in Minnesota. I don't like manufacturers not giving Minnesotans choices. Thank you for your time.

THE JUDGE: Thank you very much. And then, Thad Kurowski. Mr. Kurowski?

THAD KUROWSKI: Can you hear me?

THE JUDGE: I can hear you now.

Thank you. Now I can see you as well.

THAD KUROWSKI: Thank you. Good evening, Judge Palmer-Denig, my name is Thad Kurowski, it's T-h-a-d, K-u-r-o-w-s-k-i. I'm a senior manager at Tesla and I'm responsible for all of our state level Clean Car rulemakings.

Tesla has substantive experience with Clean Car standard adoption and implementation across states and the world, both past and present. And I want to thank you for the opportunity to share some thoughts. Tesla manufactures, sells and services a suite of battery electric vehicles in Minnesota and has deployed a network of DC fast chargers across the country, including in Minnesota, to support
interstate and local travel.

    And, Judge Palmer-Denig, because of your description of wanting to hear from automakers early on, I'll note that we are not represented by the Alliance for Automotive Innovation, nor are we a member company. However, we are the leading deployer of light-duty battery electric vehicles in Minnesota at this time.

    In addition to the models we currently sell, which includes crossover SUV that we released earlier this year, the Model Y, we have also taken reservations for a full-size pickup, the Cybertruck, with scaled production in 2022. And we've recently hinted at the potential development of a $25,000 price point model.

    Earlier on Amanda Jarrett Smith from MPCA noted in her presentation the importance of these suite of rules when stating the goals or the standards. The LEV and ZEV standards are effectively a combination of standards intended to improve air quality and are the only option to reduce light-duty transportation emissions beyond the federal standard.

    Tesla supports Governor Walz's direction to adopt both LEV and ZEV standards and the MPCA's authority to attempt to improve the lives of
Minnesotans by reducing emissions associated with the transportation sector and addressing climate change.

While we support both of these standards in these brief comments I want to focus in on the ZEV standard. The two compliance flexibilities noted in the presentation differ greatly in efficacy.

Early action credit banking encourages deliveries into Minnesota sooner, actual vehicles and actual emission reductions. And we appreciate and support early action credit banking for model years '22 through '24 due to that efficacy.

From experience, and I say this based upon conditions that we've experienced as an industry, the more EVs that are deployed in a particular place, the greater the familiarity customers have, the greater adoption takes place, effectively resetting a business as usual case and increasing the opportunities for emissions reductions.

This is demonstrated in the SONAR where it notes the Canadian province of Quebec adopted a similar early action mechanism to the one being proposed in this rule. And they did that in 2016.

MPCA goes on to note that they learned that this mechanism, the early action mechanism, resulted in over one year -- over one year of compliance
worth of ZEV credits.

They indicated that the manufacturers have been able to comply with the ZEV standards in the first year of implementation, 2018, and the EV sales have continued to grow.

Remember, this was just a couple of years ago in 2018, but with much more limited model availability than what's expected over the next several years based upon automaker plans to introduce compelling new EV models.

This also demonstrates from experience how an early action ZEV requirement results in resetting the business as usual approach. These are real vehicles contributing to real emissions reductions.

However, the other compliance mechanism that Minnesota's proposal includes is a single year credit bank for even individual automaker, essentially giving automakers credit for EVs that were never delivered anywhere.

Tesla believes the inclusion of this flexibility is unnecessary and perhaps more importantly unreasonable. The one year credit banks are really just imaginary credits that undermine the pollution reductions intended by this rule.

To touch on a couple of points made
by other stakeholders, we support early action
flexibility and applaud the MPCA for the robust
stakeholder process they undertook.

We believe it is -- the initial
credit proposal MPCA introduced in stakeholder
discussions, which concluded and demonstrated, as the
Quebec program did, that any awards to automakers
outside of credits for actual vehicles delivered to
Minnesota are unnecessary.

And without distinction we oppose the
use of proportional credit banking mentioned by other
stakeholders which results in automakers being credited
multiple times for delivering EVs to California.

The proportional credit compliance
flexibility completely and knowingly double counts or
multiple counts deliveries in California as if they were
delivered in Minnesota. It incentivizes automakers to
deliver EVs to California and rewards automakers for
Minnesota specific inaction.

I'm certain the governor would prefer
real public health benefits through early action banking
than credits that don't result in any emission
reductions, especially in light of the fact that early
action alone has been demonstrated to be effective in
Quebec to the north.
We support LEV and ZEV rule adoption this year based upon science. Demonstrating a delay will have substantive impacts on climate and health. We believe Minnesota would benefit through the exclusion of a one-year allotment and any other proportional crediting mechanism accelerating electrification and the associated emissions reductions.

I will be following up with more robust written comments. And thank you for the time.

THE JUDGE: Thank you very much. And then I saw in the comment section in the Q and A, it looks like we have another speaker who is signed up, Chris Nevers. I'd like to have you go ahead and unmute yourself.

CHRIS NEVERS: Hello, Your Honor, can you hear me?

THE JUDGE: I can. It would be helpful if you would speak up a bit, you're a little bit faint.

CHRIS NEVERS: How's this?

THE JUDGE: That is better, thank you. So, state your name, spell your first and last, please.

CHRIS NEVERS: My name is Chris Nevers, that's C-h-r-i-s, N-e-v-e-r-s. Thank you, Your
Honor. I am Rivian's Director of Environmental Engineering and Policy. I'd like to thank you for the opportunity to comment today in support of proposed Clean Cars rules. We'll be submitting written comments as well.

I would also like to thank the MPCA staff for their careful and thoughtful consideration of all the data and viewpoints provided over this past year. Rivian is an independent U.S. based company with production and development in the U.S.

Our mission is nothing short of keeping the world adventurous forever. Forever means good stewardship and stewardship meaning electrification in this case.

As far as products, we will be delivering electric trucks and SUVs this year. With features like a driving range of up 400 miles per charge and up to an 11,000-pound towing capacity. Vehicles like ours will certainly fill the needs of electric trucks and SUVs in 2025.

And this is still three model years away, by the way. As I mentioned earlier, we strongly support adoption of the Clean Cars rule, but I'd like to clarify a few items.

First, we support the need to
incentivize early ZEV sales in Minnesota by means of early action credits beginning in model year 2022. Not only will early ZEV sales help Minnesota reach its environmental goals, the early sales will give manufacturers the opportunity to gradually build the credit bank while growing their sales network and learning from their experiences and selling ZEVs.

Secondly, Minnesota need not follow other states and the various other methods of allowing free credits. Even the one-year credit allotment will just delay EV deliveries to the state and is not needed and it should be reconsidered given all the recent automaker EV announcements.

Finally, any last minute proportional credit requests should not be entertained. Proportional credits actually incentivize the delay and redirecting of EV sales out of Minnesota.

When combined with the lack of early action credits, like was discussed in the early Virginia bill, proportional credits could actually reduce EV deliveries in Minnesota below the business as usual case.

Manufacturers would be incentivized to deliver EVs to California instead of Minnesota for two reasons. First, in this scenario, the only way to
build a credit bank in Minnesota would be to sell EVs in California.

And secondly, as you've heard several times now, EVs sold in California would not only count toward a compliance requirement in California, it would count in Colorado, Virginia, and possibly Minnesota and other states.

So, in conclusion. Rivian supports the Minnesota Clean Car proposal with early action credits, but not free credits that would delay benefits to Minnesota. Thank you for your time. This concludes Rivian's oral comments.

THE JUDGE: Thank you very much. So, that was the last -- so, I'm getting a request, "Is it possible to see the three criteria that the Honorable Palmer-Denig will use to make her decision at the end of this session?"

If I could have the PCA staff, we're right here at the end, put up on the screen for Mr. Connor and anyone else who wanted to see it, particularly because it will guide comments, if I could have you put up Slide 4.

I know you may have put the slide presentation away, but if I could get you to put up Slide 4 on the screen. And then we'll go kind of
quickly to a couple of the other key slides to show them here at the last minute.

So, Slide 4, these are the questions that the legality review conducted by the OAH needs to answer. These are the questions that I will be focusing on in my review of these proposed rules.

Does the Agency have the legal authority to adopt the rules that it's proposing? Has the Agency fulfilled all the relevant legal and procedural requirements to be able to promulgate these rules? And has the Agency demonstrated the need and reasonableness of each portion of the rule?

So, do they have legal authority? Did they fulfill all the requirements of the rulemaking? And have they demonstrated need and reasonableness?

If I could have you move forward then to -- let me figure out what slide it is. Sorry. Slide 8, if I could have you move forward to Slide 8 briefly. Okay.

Ways to comment, remember, U.S. mail to our address. You'll want to send it to the Office of Administrative Hearings, Denise Collins, D-e-n-i-s-e-c-o-l-l-i-n-s, C-o-l-l-i-n-s, is the person you should direct it to. Please note on your submission that it is related to the Clean Cars Rulemaking.
And please use the OAH Docket Number 71-9003-36416. Our address is P.O. Box 64620, St. Paul, Minnesota 55164-0620. Our fax number 651-539-0310.

And remember that we do prefer if possible e-comments. That address is www.minnesotaoh.granicusideas.com/discussions.

Any way that you submit your comment in one of those three ways it will be considered and it will go into the rulemaking record. Please remember that we do not accept email comments.

So, I greatly encourage you to send it by mail, by fax or to e-comment. And that really is the best way to do that right now. Remember that initial comments are going to be due by March 15th at 4:30 in the afternoon.

The e-comment website will actually close on the initial comment run, it will be turned off at 4:30. So, you need to have your comment in by 4:30 in the afternoon on March 15th.

And then the rebuttal comment period will run until 4:30 p.m. on Monday, March 23rd. So, it's 20 days after tomorrow's hearing for the initial comment period and another five working days available for the rebuttal period.

I just want to check and see. The
order for tomorrow -- so, it would be helpful, I think, if PCA staff is able to put that up. Can you tell me who's on the list and what the order is of the folks who decided to defer until tomorrow?

I'm seeing Lee Samelson, Michael Schweyen, Anjali Bains, and Amber Backhaus as our four folks who are in the queue automatically tomorrow when we get started. If you were one of those people if you could be with us right at the outset, we're going to move through you right at the start, if you could be available.

And I don't see anyone else going up on the list, so I'm going to assume that it's just those four people unless I get a contact. Thank you. Very good. So, tomorrow we're going to run through the presentation the same way we did today because we may have some folks who weren't there coming for Day 2 of the hearing.

So, I'll make my initial presentation. The PCA, it doesn't have to present the exhibits again, but it's helpful to go over them and explain what happened with them, but I've received those into the record at this point.

And then, we will have Ms. Jarrett Smith make her presentation again on the reason for the
rule and the MPCA's process. And then we'll move into those four commenters who have deferred until tomorrow and then we'll take new commenters into the queue then.

I really appreciate -- for those of you who are still on the line, this was a very long hearing and I appreciate you sticking with it until the very end. We did get through more than 40 commenters, which is a very, very significant amount to be able to get through in one session.

I appreciate that everyone worked really hard to stick as close as possible to that five minutes because it allowed me to be able to get all the comments in that I was able to get in.

So, I will adjourn tonight's hearing, we'll reconvene tomorrow at 3:00 also by Webex, according to the information that is in the notice for you to log in.

And again, thank all of you for your presentations tonight. And we're adjourned until tomorrow. Take care and have a good night everyone.

(Hearing adjourned at 8:00 p.m.)
REPORTER'S CERTIFICATE

I, MARCIA L. MENTH, do hereby certify that I recorded in stenotype the hearing on the foregoing matter on the 22nd day of February, 2021, via Webex;

That I was then and there a Notary Public in and for the County of Wright, State of Minnesota;

I further certify that thereafter and on that same date I transcribed into typewriting under my direction the foregoing transcript of said recorded hearing, which transcript consists of the typewritten pages 1 through 222;

I further certify that said hearing transcript is true and correct to the best of my ability.

WITNESS MY HAND AND SEAL this the 1st day of March, 2021.

\( /s/ \) Marcia L. Menth

MARCIA L. MENTH
Court Reporter

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STATE OF MINNESOTA

OFFICE OF ADMINISTRATIVE HEARINGS

FOR THE

MINNESOTA POLLUTION CONTROL AGENCY

-------------------------------------------------------

PUBLIC HEARING

PROPOSED REVISIONS TO MINNESOTA RULES

CHAPTER 7023

ADOPTING VEHICLE GREENHOUSE GAS EMISSIONS STANDARDS

(CLEAN CARS MINNESOTA)

-------------------------------------------------------

OAH DOCKET NO. 71-9003-36416

REVISOR ID NO. 04626

VOLUME II

The above-entitled matter came on for hearing before Jessica A. Palmer-Denig, Administrative Law Judge, taken before Susan M. Strom, Court Reporter, a Notary Public in and for the County of Dakota, State of Minnesota, taken on the 23rd day of February, 2021, commencing at approximately 3:00 p.m., via Webex.
APPEARANCES

APPEARING VIA WEBEX ON BEHALF OF MINNESOTA POLLUTION CONTROL AGENCY:

JOSEPH DAMMEL - Attorney

AMANDA JARRETT SMITH - Climate and Energy Policy Planner

DAVID BAEIL - Economic Policy Analyst

KATIE IZZO - Rule Coordinator

MAGGIE WENER - Air Policy Planner

*The Original is in the possession of Administrative Law Judge Jessica A. Palmer-Denig*
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KIRBY KENNEDY & ASSOCIATES  
(952) 922-1955
THE JUDGE: Welcome to today's public hearing. This is the second public hearing on the Proposed Rules of the Minnesota Pollution Control Agency Adopting Vehicle Greenhouse Gas Emissions Standards for Clean Cars Minnesota, Chapter 7023 of the Minnesota Rules. This is OAH Docket Number 71-9003-36416. And the proposed rule is assigned Revisor's ID Number 4626.

I am Administrative Law Judge Jessica Palmer-Denig. I'm the administrative law judge assigned to conduct this rulemaking. I want to thank everyone for signing into the Webex session today and being interested in participating in this matter.

Today is February 23 of 2021 and it is 3:01 p.m. And as I noted, this is the second public hearing in this case. We also gathered for a public hearing yesterday on February 22.

As we go through the case, I'm going to talk a little bit initially about the process that the OAH uses and how this hearing is going to run today. I do want to highlight for you the OAH Docket Number again is 71-9003-36416. The last
five digits there, 36416, are important to the case, so I want you to make note of it. And I will show you why in just a little bit.

As I said before and for anyone who is just joining us now, my name is Jessica Palmer-Denig and I'm an administrative law judge at the Minnesota Office of Administrative Hearings. The Office of Administrative Hearings is independent of the Minnesota Pollution Control Agency and is conducting this hearing under the authority granted under Chapter 14.

We do have a PowerPoint presentation to show you related to the details of this hearing and of that statutory authority. And I'm going to ask the Agency to share the PowerPoint at this time.

Thank you. And if you can advance to slide 2, please. I think you might want to be in -- the view, at least on my screen, is of multiple screens. You might want to switch to a different view.

Just a moment. This is a new environment for us conducting these hearings online and so we have to sort of tech troubleshoot every single time.

All right. And if I can have you go
back to slide 2. You are getting a little preview
now of this slide presentation. All right. So the
Office of Administrative Hearings is an independent
agency of the State of Minnesota. We exist to
provide fair and impartial hearings in all sorts of
matters involving the government and we are tasked
under Minnesota law with conducting legality
reviews in rulemaking matters. As I said, we are
independent from all of the other state agencies,
including the Minnesota Pollution Control Agency
and any other party to this proceeding or any
participants in it.

The purpose of today's hearing is to
allow the Agency to present its case related to the
rulemaking and to receive public comments. If I
can have the next slide.

Minnesota law recognizes that public
participation is essential in the rulemaking
process, because the rulemaking process is one of
the ways in which the State develops its public
policy.

This hearing is being held under
Minnesota chapter 14 so that the public can
participate and be heard. And we appreciate very
much your participation today and those of you who
intend to speak today, that you will share your views. The process of development of public policy is enhanced when there is feedback from the public on what the Agency intends to do.

So my role here is to conduct the hearing by figuring out how to manage the process. And then the substantive aspects of the case are related to the Agency's presentation. You will get more information about that, too. Please, go to the next slide.

There are several key legal issues that I'm required under the law to consider. The first is, does this Agency have the legal authority to adopt the rules that it has proposed? Has the Agency fulfilled all relevant, legal and procedural requirements that it needs to promulgate the rules? And has the Agency demonstrated the need for and reasonableness of each portion of the proposed rules.

These are the key big three issues that I will be addressing in this proceeding. Some of you may have comments that are related to the substance of the policy that the Agency is choosing. That you are in favor of it, you are against it, you want to express something related
to the policy choices. I think it's very helpful at this stage to let you know what my role is and the degree to which those things factor into my analysis.

My key issue as to those issues is going to be whether the Agency has demonstrated the need for and reasonableness of each portion of the proposed rule. I do not substitute my judgment or the judgment of any particular commenter or the Agency as to the substantive policy choices that it is making, so long as it has demonstrated the need for and reasonableness of the rule, that it has legal authority, and that it has fulfilled all of the procedural requirements. So my job is not to select one set of policy proposals or to rewrite the rules for the Agency, but to determine whether the Agency has acted within its lawful authority and the lawful authority that's granted under the statutes and rules of the State of Minnesota. If I can have the next slide.

So this is the roadmap for today. We are starting with my remarks which are going to be largely related to the process of this hearing and then also the comment process and the role that the OAH is going to play. I'm going to introduce a
panel of folks from the Agency a little bit later
to talk about the reasons for the Rule and to talk
about what is in the rulemaking record. The Agency
is going to make a presentation to you that will be
actually the bulk of this PowerPoint, and at that
time I'm going to open it up to questions and
comments.

We will be taking a brief break, about
10 minutes, after the Agency's exhibit presentation
and before we get into the public comment phase.
So I want you to be prepared that in about an hour
after the hearing begins we are going to take our
first break. And we are going to do that before we
get into questions.

We do have a court reporter on the line
with us today. And so I want to explain a little
bit about how that works and what some of the
parameters are. The court reporter is taking down
everything that we say and it's very important that
we speak slowly and clearly and spell out terms and
spell out names so that the court reporter can get
everything down. Because the court reporters'
transcripts that will be prepared as a result of
this hearing and the one yesterday, those are the
official rulemaking record related to this
proceeding. So it's very important that the court reporter can hear everything and get everything down. And that's one of the reasons that we will be taking breaks from time to time as well, because the court reporter will need a little bit of a break in between sessions to make sure that the quality of the reporting is being upheld. Next slide, please.

So there are two primary speakers from the Agency today. The first will be Joseph Dammel who is the staff attorney. And then Amanda Jarrett Smith who is the climate and energy policy planner for the Agency.

Mr. Dammel is going to talk about the rulemaking record here and what the Agency has proposed in support of this rule. And then Ms. Jarrett Smith is going to provide the bulk of the Agency's presentation, which is about the reasoning underlying the rule, why the Agency decided to adopt it and the Agency's legal authority to do that.

There are some other folks who are on the line with us today from the Agency. Mr. Bael, Ms. Izzo and Ms. Wenger. I am anticipating that they will jump in if necessary if there is a
question or a comment that they need to address or if we have a technical issue. Those are the folks who are helping me run this presentation from the technical perspective. And so they are here to assist, but may not actually be a part of the presentation. All right. Next slide.

The exhibits, we are going to talk a little bit more about this later, but yesterday at the hearing I received into the record certain exhibits that have been filed by the Agency in support of the rulemaking request. Those are available on the Agency's website. And for those of you who are participating by phone and do not have access to the PowerPoint, I'm going to tell you what the web address is. It's www.pca.state.mn.us/air/clean-cars-mn-rulemaking. I will tell you I have done this myself. If you go into your Internet browser and type in Clean Cars Minnesota Rulemaking PCA, you are going to land at that website. So that's another way to to that.

Next slide.

Most of today's hearing time has been allotted to questions and comments from the public. And I'm going to provide some more information about that in a bit. But there are other ways to
comment in this proceeding. In particular, we really strongly encourage people to file written comments, if they are able to do that. You can do that electronically, by mail or by fax.

Electronically you could do that through the Office of Administrative Hearings eComments website. And that is located at www.minnesotaoah.granicusideas -- that's spelled g-r-a-n-i-c-u-s i-d-e-a-s --.com/discussions. I will provide some more information about that in a bit. But that is the electronic comments platform that we use here at the Office of Administrative Hearings.

We do not accept rule filings by mail. We don't accept comments by mail. Excuse me. By e-mail. You can imagine that e-mails sometimes get lost or they end up in a spam folder or they could be misdirected. Ultimately, e-mail is not reliable enough to ensure that we capture every single comment into the rulemaking record. Which is what we are required to do. So if you would like to electronically comment, you are going to need to do it through the eComments website minnesotaoah.granicusideas.com/discussions and not by e-mail.
We also do accept filings by U.S. Mail. The address to mail things to -- and all of this information is also in the notice of the hearing that contains the Webex login information. So that's a place to go to to find this information as well.

If you want to send mail, you are going to send it to the Office of Administrative Hearings attention Denise Collins, C-o-l-l-o-n-s, P.O. Box 64620, St. Paul, Minnesota 55164-0620.

We also do accept fax comments. Our fax number is 651-539-0310. And as I said all of this information is also available in the notice of hearing that contains the information about how to log in today and that's also available on the Agency's website. Please, go to the next slide.

So eComments is our preferred method for receiving written comments. You can imagine that the pandemic has disrupted our operations, just in the same way that it has everybody else's, and it's much easier for us to manage eComments. You can absolutely send us comments by mail and you absolutely can send us comments by fax. But we are finding that the easiest way for folks to comment and the easiest way for us to manage the comment
queue of the comments that are coming in on rulemaking is through the eComments website. We can go to the next slide.

So in terms of commenting today, some of you are here on the Webex with a video option. And if you are here on your computer with that video option, you are going to click on the Q and A icon at the lower right-hand corner of your screen. You are going to type your first and last name into the Q and A to request to speak. That Q and A will go directly to the host who will put you into the queue. And then when it is time for you to speak, what we are going to do is sort of run things in segments, so we will let you know who the first five speakers are, who the next five speakers are. And when it's coming up to your turn the Agency will unmute your microphone and then you will also have an opportunity to start your video camera at that time.

My understanding for those of you who are observing this hearing that you may not see a video camera icon until the Agency turns that on for you when it's going to be your time to speak.

If you are participating in this hearing by telephone only, you are not here as a
web participant, the way that you will comment is to press star 3. And then if you are able to do so, please send an e-mail to cleancarsmn.pca@state.mn.us. I'm going to say that again. cleancarsmn.pca@state.mn.us. And indicate your interest in speaking and let us know your first and last name and the phone number that you are calling from in that e-mail. The reason why we are asking phone participants to do this in two different ways is when you press star 3 we will get an indication that you would like to speak, but we don't have your name and we don't have your full phone number. And it's much easier for us to manage if we know who you are and if we can link that together so that we can make sure we get you into the queue to speak.

If you are not able to send an e-mail, we will try to work through that and make sure we get you. But because we don't have your full phone number it causes a little bit of a confusion about making sure when to call on people. So if you can send an e-mail, that's very helpful. Again, cleancarsmn.pca@state.mn.us and let us know your first and last name and also the phone number that you are calling from. Next slide, please.
When you are presenting, once you are in that immediate queue to be able to present and if you are here online by web, you are going to turn on your video by clicking the video icon that will become available to you.

I am limiting everyone's comments to five minutes, to make sure -- because we have had a lot of interest in this rulemaking. We actually ran for five hours yesterday and got about 40 commenters in during that time. And because there is such a high interest and there are so many who have wanted to speak I'm going to limit the initial comments to five minutes. I'm not going to cut off your microphone at five minutes, but I am going to start gauging whether or not it seems like you are wrapping up. And if I don't know whether you are wrapping up or not I'm going to just give you a gentle reminder that you are at your time and that it would be helpful if you could wrap it up. I want to make sure that we get to as many people as possible.

If everyone today has spoken who wants to speak initially and if you have previously spoken and you would like to come back and speak again, we will circle back to you in the end and
let you do that as long as we do have time. Our
objective during this hearing process is to hear
from as many different people and on as wide a
range of topics as we possibly can.

With that, we will run this hearing
today until either 8:00 tonight, which is what we
did last night, or until the last person who would
like to speak today has spoken. Whichever of those
happens first. So until 8:00 or until we have gone
through all of the speakers. Let's go to the next
slide, please.

If for some reason you are unable to
speak today, if for some reason we have a
technological glitch and it just doesn't work for
you to be able to speak and we are not able to
troubleshoot that, I want you to remember that you
can always file written comments. eComments, mail
or fax, all comments are considered in the exact
same way no matter how they are received. So there
is no additional weight that attaches to a comment
that is made in person at a hearing or online at a
hearing or a comment that is submitted in writing.
And if you have written materials that -- if you do
a summary today in the five minutes that you are
allotted and you have some additional statement you
want to make or written materials that you want to make available to me in my review and to the Agency ultimately, then please do file those and they will be considered. Next slide, please.

So tips for comments. Again, we have a court reporter on the line, so it's important to state and spell your first and last name so the court reporter can get that down. If you are here commenting on behalf of an organization, you should identify the organization that you are affiliated with.

You should speak slowly, clearly and loudly so that we can make sure that we can hear you. And, again, if the court reporter can't hear you, I asked her to break in and get some clarification. You should also spell names and technical terms. And if you are using an acronym, it's helpful if you let me know what the full phrase is. Next slide, please.

Again, when you are thinking about the comments, it's helpful if you will focus your comments on the three issues that I will be reviewing. Whether the Agency has legal authority to adopt the rules, whether the Agency has complied with legal and procedural requirements of the
rulemaking, and the need for and reasonableness of the rules.

If there is a particular part of the proposed rule that you would like to address or that you have concerns about, please let me know which part you are addressing so that I can make sure to link your comments with that rule. Next slide, please.

This is a legal proceeding. So this is an official court proceeding. It is very important to respect other speakers and the time limits that I'm imposing, because that's -- your opinion is important to me and the opinion of the person who is coming right after you is also important to me. So I want to make sure that we get everybody's information in.

If you are un-muted, you should not interrupt other people or clap. This is again a legal proceeding. We sort of keep it very even. Listen for the court reporter to make sure we address anything that she needs. And also because this is a legal proceeding recording of this proceeding is not permitted. You can move on to the next slide.

So I have a couple of slides here for
those of you who are participating by web some
information about the eComments website. And I
want folks to have a chance to look at what that
looks like so that you can get familiar with it.
Again, it's at minnesotaoah.granicusideass.com. And
so what the folks who are here on the web are
seeing right now it's just a screen shot of the
initial rulemaking page. We can go to the next slide.

So when you are using eComments you
will sign in if you are an eComments user or sign
up to make comments using your e-mail address. We
can go to the next slide.

Once you sign up, you will get a
conformation e-mail. It's the same sort of process
that you have with the confirmations of signups of
other things. So you will need to validate your
e-mail. And then you go back into the eComments
site and click on "discussions." Next slide, please.

You are going to scroll down to this
particular rule. And, again, I told you the last
five digits of the docket number were what was
important. 36416 is how we arrange the discussion.
So you will see there are a number of rulemakings
going on now. Not just this one. But if you scroll down to this one, 36416, and you can see for those of you who are participating by web I have a screen shot now of the initial page of the Pollution Control Agency's notice of hearing Greenhouse Gas Emissions. And then you click on "View discussion." Go to the next slide.

Then you are going to click on "View topic" at the bottom of the page. Before you do that, we do have a notice that is published here on this slide for those of you who are here by web.

It's important for you to understand that when you make a comment in a rulemaking proceeding your comment is public. The rulemaking proceedings are public. There is no private information in a rulemaking proceeding. So you should only submit information that you wish to make available publically.

We do not edit or delete submissions that include personal information. We do reserve the right to remove comments that are offensive, discriminating, belligerent, harassing, or bullying or that contain other inappropriate or aggressive behavior.

It's important to note that the
rulemaking record although it is an online comment platform, it is not a social media platform. It's not designed to facilitate or allow for really debate between people about a particular policy or idea. It's an official legal record of this proceeding that I will use and that the Agency will use in conducting the legal analysis that we need to do of the rule. Because it is an official legal proceeding and because these are the comments that are submitted in that proceeding, it's important to remember the rules of decorum that would apply in a hearing also apply to this comments page. And that when you are putting a comment in whether it's an initial comment or a reply comment, that we might count as a rebuttal comment, it's important to remember that those are addressed to the Judge and to the Agency, and it's not really a platform in which -- even if you are responding to someone's comment in which you are directly engaging with that person. So I just thought that it would be helpful to provide a reminder that this is a little bit of a different platform than what you might experience in the world of social media. Next slide, please.

So you are going to go all the way to
the bottom of the page past all the other comments
and enter your comments. You can also add
attachments. I believe you can add up to three.
And then you can click post. If you have more
attachments that you wanted to offer and you are
using eComments, you can put in another comment and
add an additional attachment to that one. Next
slide, please.

So the time for comments. The statutes
and rules allow me to extend the comment period out
20 days after the last public hearing. I issued an
order on the record at yesterday's hearing that
extended the comment period out that 20 days. So
that is the maximum amount that I am permitted by
law to allow for comments.

The initial comment period on this rule
will close on March 15 of 2021 and comments must be
received by 4:30 p.m. Whether they are sent in by
fax, whether they are on eComments or sent in by
mail, all of those written comments must be
received by March 15, 2021 at 4:30 p.m. Next
slide, please.

There is also a rebuttal period. So
after the initial comment period closes there is a
period of five business days when anyone can submit
a rebuttal comment. Now, rebuttal is a reply to something that someone has already submitted. It's not a time to provide new information for the first time, but to respond to those comments that have already been filed.

Those rebuttals must be received by 4:30 p.m. on Monday, March 22, 2021 to be considered. So March 15 is the close of the initial comment period. March 22 is the close of the rebuttal comment period. Next slide, please.

Following the close of all of these comment periods, I will within 30 days, unless an extension is granted in this case, I will issue a report on the ruling. I told you before the three things. The Agency's legal authority, the legal and procedural requirements, and the need for and reasonableness of the rule. That's what my report will deal with.

The report will be available on the website of the Office of Administrative Hearings and it will be posted on the day that it is issued. The website there is mn.gov/oah/media/opinion-archive.jsp. Or we have a tiny url. It's tinyurl.com/oah-archive. And so if you just end up on the website of the Office of
Administrative Hearings, you go to the heading "Public and media" and the archive is available under that heading. Please, advance to the next slide.

If you are a lobbyist, this is a reminder to you that lobbyists must register with the Campaign Finance and Public Disclosure Board. Questions about that registration should be directed to that board. And the address for that board online is www.cfb.mn.gov. Next slide, please.

So at this time I'm going to turn the presentation over to the Agency panel. I'm first going to turn to Joseph Dammel, the staff attorney. As I noted before, I received exhibits into the record at yesterday's hearing, and so Mr. Dammel is going to explain the exhibits that I received focusing on particularly important exhibits. And he's also going to talk about what the Agency anticipates filing for additional exhibits.

So, Mr. Dammel, I'm going to turn it over to you now.

MR. DAMMEL: All right. Thank you, Your Honor. Good afternoon. My name is Joseph Dammel. That's J-o-s-e-p-h D-a-m-m-e-l.
I'm a staff attorney with the Minnesota Pollution Control Agency which is referred to as the MPCA. Our address is 520 Lafayette Road North, St. Paul, Minnesota 55155. And I'm appearing in this rule proceeding on behalf of the MPCA.

As you stated, Your Honor, this hearing is about the MPCA's proposal to adopt motor vehicle emission standards as part of its Clean Cars rulemaking. Judge Palmer-Denig has already introduced the MPCA staff here today who will be making a presentation about the proposed rule and are available to respond to questions as needed. Agency staff is available to answer clarifying questions. And we may also provide a written response to questions after the hearing.

As the Judge noted at yesterday's hearing, in accordance with Minnesota Rule 1400.2220 the MPCA's hearing exhibits were received into the official rulemaking record. The exhibits are also posted on the Agency's website. The purpose of these rulemaking documents is as the Judge highlighted to, one, document the legal authority of the MPCA to adopt the proposed rule. Two, to demonstrate that the Agency has fulfilled all of the relevant, legal and procedural
requirements for promulgating the rule. And,
three, to demonstrate the need for and
reasonableness of each portion of the proposed
rule. Next slide, please.

I will quickly review several of the
exhibits and relate them to the three purposes I
just mentioned. Exhibits A through K were accepted
into the record at yesterday's hearing. And
Exhibits K, L and M will be entered into the record
following the hearing. As they concern
post-hearing material from the MPCA.

There is an index of the exhibits at
the front of the hearing exhibit binder that the
Judge has. It's also on our website and you are
also looking at a summary of that on the screen.
I'm going to go through a few of these to point out
which exhibits are of particular importance to the
three items I previously described.

First, Exhibit C contains the proposed
rule. Exhibit B contains the statement of need and
reasonableness. And that's referred to as the
SONAR. And that's spelled S-O-N-A-R. And this was
published with the rule. The SONAR contains the
information required by Minnesota Statutes, chapter
14.131 and it documents the legal authority of the
Minnesota Pollution Control Agency to adopt the proposed rule.

The SONAR in Exhibit D also demonstrates that each portion of the proposed rule is needed and reasonable. The SONAR and the accompanying technical support document or TSD includes both general and specific explanations of why the rule is needed and reasonable.

I would also like to note that the MPCA also filed a prehearing preliminary response to comments in eComments prior to yesterday's hearing. These preliminary response comments are also available on our rulemaking website.

Together with the other exhibits that you see on the screen demonstrate that the Agency has fulfilled all the relevant, legal and procedural requirements. The descriptions of these exhibits are now being displayed on the screen. And they are also located on the Agency's website.

In addition to these exhibits, the MPCA would like to notify, Your Honor, that we will be filing an additional exhibit to the record following the hearing. This exhibit will address an error that affects the portion of our analysis on particulate matter. Specifically the MPCA made
an error transcribing the particulate matter standard in part of our analysis. Instead of a .003 grams per mile and .001 grams per mile standard, the MPCA used .03 grams per mile and .01 grams per mile respectively.

This error affects part of the MPCA's particulate matter, health and equity analyses found in the SONAR. This transcription error does not impact the overall need for and the reasonableness of the rule, nor does it affect the proposed rule itself. It affects the degree, but not the direction of a portion of the benefits we calculated. It also does not affect the greenhouse gas benefits analysis, compliance costs or consumer cost analysis.

We appreciate the opportunity to address this error at today's hearing. And in order to present the most accurate information to Your Honor and to the public we will be publishing a new exhibit to the record that fully describes the error and corrects the parts of the analysis that were affected. We will be publishing this exhibit by the middle of next week in order for commenters to have ample opportunity to address it prior to the close of the post-hearing comment
period on March 15.

Again, we do not believe that this transcription error affects the rule or the need for or reasonableness of the rule and we remain confident in the analysis in the record before you today.

Now, with that, Ms. Jarrett Smith will make a presentation outlining the proposed rule amendments and summarizing the need for and the reasonableness of the proposed rule amendment. This presentation will take about 30 minutes and when finished we will be happy to answer any clarifying questions on the material presented. Thank you.

THE JUDGE: All right. And before we move to that I want to note that for the record I admitted into the record, and these have already been filed with me, Exhibits A through K that you are seeing up on the screen. And those are available on the Agency's website, as we said. Exhibits L, M and N are the exhibits that walked talked about yesterday that are coming. And I noted that those would be received upon their filing with the OAH. And those will go up on the website as well. And this new exhibit Mr. Dammel
mentioned will be labeled as Exhibit O, the next letter in the series. And that will be received when it is filed with the Office of Administrative Hearings. And then that will go up on the website as well. All right. Ms. Jarrett Smith.

MS. JARRETT SMITH: Good afternoon. My name is Amanda Jarrett Smith. And that's spelled A-m-a-n-d-a J-a-r-r-e-t-t S-m-i-t-h. I'm the climate and energy policy planner at the Minnesota Pollution Control Agency and the project coordinator for this rulemaking. And I just realized my camera wasn't on.

Thank you for joining us today and to learn more about the Clean Cars Minnesota rulemaking and to provide your questions and testimony for this proposed rule.

In this presentation I'm going to walk us through the need for action, the MPCA's statutory authorities and a bit of other background. And then I will cover the mechanics of the rule proposal and some of the results of our analysis of the proposed rule.

I want to start off with a bit of context for the proposal that we are talking about today. But I will get into more detail in a little
bit here in the presentation.

The Clean Cars Minnesota rulemaking would enable the State to adopt two vehicle emission standards commonly referred to as the Clean Cars Standards. The technical names are the low-emission vehicle standard or LEV, L-E-V, and the zero-emission vehicle standard or ZEV, Z-E-V.

The low-emission vehicles refer to conventional internal combustion engine cars, SUVs and pickups that run relatively cleanly on liquid fuels. Zero-emission vehicles are powered by electricity and have no tailpipe emissions.

These standards would work together to ensure that Minnesotans shopping for a new vehicle will have continued access to the cleanest models available and more options for electric vehicles.

The MPCA is proposing to adopt this rule to address three primary needs. The first is climate change. Minnesota's climate is already changing. And the most current science says significant greenhouse gas or GHG emission reductions are necessary by 2030 to avoid the worst effects of climate change.

In addition, Minnesota's 2007 Next Generation Energy Act establishes a statewide goal
to reduce greenhouse gas emissions across all sectors by at least 15 percent below 2005 levels by 2015, at least 30 percent by 2025, and at least 80 percent by 2050.

The MPCA's most recent greenhouse gas inventory shows that we are not meeting our statewide emission reduction goals and more action is needed to get on track. Since transportation is currently the largest source of greenhouse gas emissions in Minnesota, it's especially important that we focus attention on efforts to reduce emissions in this sector.

The second goal of the proposed rule is to reduce air pollution, protect public health and advance environmental justice. In June of 2019 the MPCA and the Minnesota Department of Health released the Life and Breath Report which showed fine particles in ground level ozone contributed to roughly 2,000 to 4,000 deaths and hundreds of increased hospital visits in Minnesota in 2013. Which was the most recent data available at the time. Reducing emissions of air pollutants is critical for protecting the health of Minnesotans.

MPCA research also shows that communities of color and lower income communities
are disproportionately exposed to pollution from vehicles because those communities are disproportionately located near busy roadways as the result of a history of racist policies and practices in housing and urban design. Reducing emissions from vehicles is necessary to reduce exposures to these already overburdened communities and to advance environmental justice.

And, finally, the third need for this proposed rule is to avoid backsliding on environmental protections. In recent years federal greenhouse gas emission standards have been made less stringent. Adopting this alternative set of standards as allowed under the federal Clean Air Act and adopted by 14 other states sets up Minnesota to have the most protective emissions standards in place while the federal government reviews its next steps.

This slide explains how state and federal law work together in this rulemaking. State agencies like the MPCA have the legal authority to make rules through the administrative rulemaking process that we are currently in. Rulemaking is a normal function of state agencies. State agencies can only make rules for which they
have authority given to them by the state legislature. The MPCA has the authority in Minnesota law to adopt emission standards for motor vehicles. And the LEV and ZEV Standards proposed for adoption here are emission standards for motor vehicles. Further, the standards will address air pollution, which the MPCA also has authority to regulate in Minnesota law.

The federal Clean Air Act directs the federal government to adopt vehicle emission standards. It also allows California to adopt its own more protective standards with a waiver from the U.S. Environmental Protection Agency or EPA. The federal Clean Air Act does not allow states like Minnesota to create their own vehicle emission standards. However, section 177 of the Clean Air Act does allow states to choose between the standards developed by the federal government and the standards developed by California. The MPCA is proposing here to adopt the current standards developed by California.

I want to highlight that we are proposing to adopt the current standards that were developed by California and are being implemented by 14 states. If California adopts new standards
in the future, those standards would not go into effect in Minnesota without another rulemaking to affirmatively adopt them. I will talk about this topic a little bit more on a later slide. I would also like to note here that California does not currently have an effective waiver in place and we have drafted the rule to account for this. I will also talk about this a little bit later on.

Together, the MPCA is using the rulemaking process created by Minnesota law to propose adoption of emission standards for motor vehicles as allowed under the Clean Air Act.

As I mentioned, 14 other states have chosen to adopt these alternative, more protective standards than the federal standards as allowed under the federal Clean Air Act. This slide shows a map of the 14 states and the District of Columbia that have adopted the low-emission vehicle standard. Nearly all have also adopted the zero-emission vehicle standard. It also shows the three additional states that are currently in progress. Along with Minnesota, Nevada and New Mexico are currently working to adopt both Clean Car Standards.

All states that have adopted the Clean
Car Standards have used a similar rulemaking process. From the experiences of these other states, we know that the standards work, that vehicle manufacturers can comply with them successfully and that we have a community of other states to learn from that includes cold weather climates and rural communities.

Before we get into the details, I want to highlight some basic facts about the proposed Clean Car Minnesota rulemaking. It would apply to new light and medium-duty vehicles only. It does not apply to off-road or heavy-duty vehicles or equipment like farm equipment or semi trucks. It does not apply to existing vehicles or used vehicles and does not require anyone to get rid of a vehicle that they already own. It does not require emissions testing either. The proposed rule does not require any individuals to purchase an electric vehicle or EV and does not eliminate popular vehicles like SUVs or pickup trucks.

Now to get into some of the more details of the proposed rule. The low-emission vehicle standard or LEV sets limits for tailpipe pollution of greenhouse gases, nitrogen oxides, non-methane organic gases and particulate matter.
for auto manufacturers. Meaning it regulates the amount of greenhouse gases and other harmful air pollution that new vehicles can emit.

The standard is nothing new. The auto industry has been successfully meeting it since 2012. LEV certified vehicles are already what's for sale on Minnesota lots. In fact, because the federal standard and the LEV Standard were the same between 2012 until 2020, all new vehicles in Minnesota over the last 8 years have been LEV certified vehicles. However, as the federal government has changed course several times in recent years, the MPCA is proposing to formally adopt the LEV Standard in order to preserve consumer access to the cleaner, more efficient vehicles that Minnesotans enjoy today.

It's also important to note that the LEV Standard becomes more stringent over time -- the light in here is on a motion sensor -- it's also important to note that the LEV Standard becomes more stringent over time by approximately 5 percent annually, which means it requires the auto industry to make incremental progress year over year in producing cleaner, lower-emitting vehicles.

The LEV Standard is designed to give
auto manufacturers reasonable flexibilities to
determine how best to comply with the standard
based on the types of vehicles they sell.

The LEV Standard operates as a credit
system that allows manufacturers to comply through
a statewide, fleetwide averaging calculation.
Using a statewide fleet average allows the
manufacturer to achieve greater reductions from
some vehicles than it does for others and choose
which technology is right for which application.

So here's how the LEV credit system
operates. A manufacturer that achieves a fleet
average carbon dioxide value less than its
requirement earns credits. And a manufacturer that
does not meet its fleet average receives a debit.
If a manufacturer has a greenhouse gas credit
deficit for a given year, it has five model years
to equalize that deficit through earning or
purchasing credits. This means that even if
manufacturers are falling short on their
obligations, they have multiple options for
choosing how best to comply with the standard.

Another way that the LEV Standard
provides flexibility for manufacturers is that the
standards are based on calculations using the
Vehicle footprint. Vehicle footprint refers to the relative size of the vehicle. This means that larger vehicles such as SUVs and pickup trucks are not expected to meet the same standard as small cars. This built-in flexibility allows manufacturers to produce the vehicle types that their consumers want while still providing the cleanest, most efficient vehicles of those types. This flexibility is important to maintain consumer choice and ensure Minnesotans can purchase the vehicles that they want while achieving emissions reductions across all vehicle types.

Lastly, I would like to emphasize that the fleet average is calculated statewide. Meaning for the state as a whole. So manufacturers can continue to deliver different mixes of vehicle types to different parts of the state based on local needs and preferences.

The zero-emission vehicle standard or ZEV works a bit differently. It requires auto manufacturers to deliver more zero-emission vehicles for sale in Minnesota. So here we are talking about battery-powered, all-electric vehicles and plug-in hybrid models. Which are vehicles that can be both plugged in and use a
liquid fuel. The number of vehicles is linked to
the automakers overall sales within the state.
Like LEV, the standard also calls for incremental
progress over time not sudden overnight change.
The ZEV Standard requires manufacturers to increase
their deliveries of EVs gradually by about 2.5
percent annually.

And the ZEV Standard also operates
using a credit system with significant
flexibilities for manufacturers to determine the
best way to comply.

So here's how the ZEV credit system
operates. Manufacturers earn different amounts of
credits based on the type of vehicle, a battery
electric versus a plug-in hybrid electric, for
instance, and how far the battery can drive on a
single charge. So, for example, a battery electric
vehicle with a long range can earn up to 4 credits
compared to a shorter range, plug-in hybrid which
might earn around 1 credit. Manufacturers can
weigh these credit factors when deciding which
types of vehicles to deliver for sale in Minnesota
and other states.

Manufacturers have multiple ways to
meet their obligation. They can choose to develop
and deliver electric vehicles themselves or they can choose to purchase credits from other manufacturers instead. Or some combination of these two. In addition, manufacturers who overcomply with the standards and earn more credits than they need can bank their credits for use in future years or they can choose to sell their credits to other manufacturers. This ability to bank credits for the future offers greater flexibility to manufacturers and helps ensure that they maintain compliance if they encounter an unforeseen challenge. Manufacturers can make up a ZEV credit deficit in the next model year if needed.

The ZEV Standard also is a statewide standard. Meaning that manufacturers can make their own decisions regarding the number and type of vehicles to deliver and where based on local markets and interest. The standard does not dictate a certain number of electric vehicles should be delivered to certain areas of Minnesota.

As part of our technical analysis the MPCA looked at EV availability in other cold weather states that have adopted the ZEV Standard. We found that dealers in states with the ZEV
Standard are carrying a higher percentage of EVs on their lots overall, but that these numbers varied based on dealer location. Typically, larger percentages of EVs are available in more populated areas and lower percentages in smaller communities. This indicates that manufacturers are able to develop plans that comply with the ZEV Rule that consider the size of the local market and local interest in purchasing electric vehicles. And that manufacturers and dealers are able to strike a balance. Dealers' lots are not being flooded with EVs while at the same time EVs are more accessible to consumers around the state.

We are often asked exactly how many new vehicles would need to be EVs in order to comply with the ZEV Standard. However, these flexibilities mean that it is not possible for us to know precisely the percentage of new vehicles that would need to be EVs in order to comply. However, our analysis estimates that after model year 2025 between 6.2 and 7.4 percent of new vehicles delivered for sale would need to be EVs. So if you picture 100 new vehicles delivered in model year 2025 roughly 7 vehicles would need to be EVs and the other 93 would be conventional.
vehicles. Again, we note that this is an estimate, because the flexibilities of the ZEV Standard presents to manufacturers for compliance in the future.

To provide even greater flexibility for manufacturers, the MPCA is proposing to establish an initial bank of credits for manufacturers to use in the early years of the rule. Especially as they ramp up EV deliveries from levels seen today to levels required by the standard.

Establishing an initial credit bank is outside of the standard set by California and is therefore a choice left to the states. Precedent in other states has established that states adopting the ZEV Standard for the first time have the ability to establish their own mechanism for developing an initial credit bank.

The MPCA proposes to establish an initial credit bank through two mechanisms; an early action credit system and a one-time allotment of credits.

The early action credits are a voluntary system that are intended to encourage manufacturers to ramp up EV deliveries sooner than would be required under the rule.
The one-time allotment would provide an initial deposit of credits equivalent to the number of credits a manufacturer would need for compliance in the first year of implementation.

The MPCA heard from manufacturers that they try to maintain about one year worth of credits in their bank to manage risk. The intent of the one-time allotment is to address this preference raised by manufacturers while not diminishing the efficacy of the ZEV Standard once implemented.

Therefore, to comply with the standard, manufacturers will have access to the credits from early action sales plus the one-time allotment of credits plus the number of credits they receive from ZEV sales each year starting in model year 2025.

The MPCA has heard from some commenters that we should provide an initial ZEV credit bank that is proportional to the number of credits available in California's bank in 2024.

Our analysis found that using a proportional credit system instead of what we have proposed would cover the ZEV credit compliance requirements for at least four years of
implementation and possibly more, reducing the need for manufacturers to deliver more EVs.

The ZEV Standard is intended to spur EV deliveries beyond business as usual sales growth, and therefore it is important not to give away too many credits and thereby undermine the requirements of the rule.

In addition, while some states have adopted the ZEV Standard using a proportional credit bank, most other states adopted the ZEV Standard over a decade ago when there were far fewer EVs available to sell and when California ZEV credit bank was much smaller.

The use of a proportional bank would also mean that manufacturers would receive double credits for vehicles sold previously in California, essentially double counting past action for no environmental benefit to Minnesota.

The MPCA has analyzed this recommendation and believes that our proposed approach is reasonable and strikes the right balance. The early action mechanism would encourage more EV deliveries sooner and the one-time credit allotment addresses manufacturers' concerns and provides at least one year of credits.
as a buffer, but is unlikely to substantively reduce the number of EVs expected.

We believe our proposal effectively addresses the concern raised by commenters while still ensuring the ZEV Standard will require growth in EV deliveries to Minnesota.

I would like to spend a moment describing how the effective date for the LEV and ZEV Standards in the rule works. As I described earlier, the Clean Air Act allows the Federal Environmental Protection Agency to give California a waiver that allows the state to write vehicle emission standards that are more protective than the federal standards. This then allows other states to choose to adopt the alternative more protective standards designed by California instead of the backstop federal standards.

At the moment there is not an effective waiver in place from the EPA for the LEV and ZEV Standards. This has not changed since 2019 and we do not anticipate EPA will restore the waiver — excuse me, we do anticipate that EPA will restore the waiver in the near future.

Since if the MPCA adopts the Clean Cars Minnesota rule it is likely that we would do so
before the EPA waiver is enforced, the rule has
been written to delay the effective date until the
MPCA publishes a notice in the state register
indicating a change in waiver status.

So, if the rule is adopted, the
proposed early action credit mechanism would go
into effect, but the LEV and ZEV Standards would
not. This is because the LEV and ZEV Standards are
subject to the EPA waiver and it is likely that the
EPA waiver will not yet be in effect at the time of
adoption.

The MPCA then proposes to provide
additional notice once the EPA waiver issue has
been resolved, that the LEV and ZEV Standards will
go into effect.

This does not mean that manufacturers
will have to comply the next day. Under the
provisions of the Clean Air Act, in fact, it means
that manufacturers will have at least two years
before they must begin to comply. Our notice of
effective date will also indicate which vehicle
model year will be the first effective model year.

We recognize that this provision is
unique, but it was developed in consultation with
rules experts from across state government. We
think it is reasonable because it provides manufacturers with certainty and notice while also allowing the MPCA to implement our voluntary early action credit program.

The MPCA is proposing to incorporate several provisions of California's regulations using a common rulemaking tool called incorporation by reference. This means that instead of copying and pasting language from other sources an Agency can instead provide a reference to the source material. Provided that the source material is conveniently available to the public. The proposed rule language uses "as amended" in order to ensure that the rule is kept up to date with any minor housekeeping updates that could occur in the California code.

We have heard from many commenters on this topic. So I want to clarify that "as amended" does not mean that any new emission standards, a new LEV or a new ZEV would be incorporated by this rule.

We have been clear throughout the rulemaking process and in our SONAR that any new future California emission standards would be housed in new rule parts and not captured by the
incorporation by reference. Any new emission standards adopted by California would have to be reviewed and considered by the MPCA in the context of any new future federal standards. If the MPCA were to believe that the California emission standards in the future were needed and reasonable for Minnesota, the Agency would need to pursue a new rulemaking process at that time.

The MPCA has received comments identifying concerns about impacts to dealers along Minnesota's borders with other states. Currently there is no difference between LEV certified and federally certified vehicles. However, it is possible in the future that manufacturers may supply cleaner, more efficient vehicles for sale in LEV states and less efficient vehicles in other states.

Dealers expressed concern that many of their customers come from neighboring states to purchase vehicles and that they might lose those sales if in the future there is a difference in upfront price resulting from the difference in federal standards and the LEV Standard.

To address this concern, the MPCA is proposing to allow dealers to carry vehicles that
are not LEV certified to sell for registration out of state.

Dealers have also expressed concern that if the upfront costs of new vehicles sold in Minnesota are higher than those in neighboring states dealers could lose sales from Minnesotans going out of state to purchase less expensive vehicles. However, existing Minnesota law requires vehicles to be registered in Minnesota to comply with the applicable vehicle emission standards.

This means that beginning in the first model year only new vehicles certified under the LEV Standards would be allowed to by the Department of Public Safety and the Division of Driver and Vehicle Services to be registered in Minnesota. Therefore, a new vehicle purchased in a different state would need to be LEV certified to be registered in Minnesota.

As part of the rulemaking process the MPCA analyzed a wide range of potential costs and benefits of adopting the rule which are presented in the SONAR. The MPCA's analysis shows a wide range of benefits including reductions in greenhouse gas emissions and other harmful air pollutants and increased electric vehicle
availability.

We have received lots of questions and comments on the potential costs to consumers related to this proposed rule. So I want to take a moment to address those concerns.

First, I think it's important to remember that LEV certified vehicles are already what's for sale at Minnesota dealerships and have been what's for sale for the last eight years. However, a potential cost difference could occur if in the future auto manufacturers begin producing two different models, one cleaner, more efficient model for LEV states and one higher emitting model for non-LEV states.

MPCA analyzed the potential impact to consumers of this possible price difference and found that there is negligible difference in terms of cost or benefit for most consumers. Our analysis indicates that there could be a potential average upfront purchase price premium for a new LEV certified vehicle of between $900 and $1200 compared to an average federally certified vehicle.

However, our analysis also estimates that the average Minnesotan who purchases a new LEV certified vehicle would save nearly $200 in fuel
costs annually compared to the federally certified vehicle. Thus, over the life of the vehicle, there is essentially neither a cost nor a benefit to the average consumer.

When it comes to purchasing a new electric vehicle, the benefits are even clearer. While currently there is a price premium for battery electric and plug-in hybrid vehicles, even now purchasers of EVs save money from fuel and maintenance over the life of the vehicle.

Our analysis estimates that while plug-in hybrid EVs are likely to continue to have a higher upfront purchase price than conventional vehicles, battery electric vehicles will reach an upfront cost parody with conventional vehicles in model year 2028. That means that consumer benefits are likely to grow as battery technology costs continue to decline. And, again, it is helpful to remember here that costs and benefits of the ZEV Standard would only accrue to customers who choose to purchase an EV and the rule does not require any individuals to purchase an EV.

The MPCA started this rulemaking process in October of 2019 with the Agency's initial request for comment. Since then, we have
been talking to and hearing from Minnesotans from all over the state. We held seven public meetings in communities around the state to share information and hear from Minnesotans. We held five technical webinars to share details of the rule proposal, learned from other states and shared our analytical methods. During an initial comment period, we received over 1000 written comments and over 1400 survey responses. We are looking forward to continuing to hear from you all today and over the coming weeks.

Climate change is a complex problem that will require action at the individual, local, state, national and international levels across all parts of our economy. No single action can turn the tide of climate change. The cumulative power of many actions being taken together will be required to address this complex challenge. Each action spurs progress and further action. In this case we must act to reduce greenhouse gas emissions from passenger cars, light-duty trucks and medium-duty vehicles because transportation is the largest source of greenhouse gas emissions in Minnesota and these vehicle types are the largest source of greenhouse gas emissions within that
sector.

There are a variety of tools available
to advance EV adoption and reduce transportation
emissions. Some are the purview of state agencies
and some are not. Adopting the ZEV Standard is one
tool in the toolbox available to the MPCA under our
statutory authorities and the Clean Air Act.
Adopting the ZEV Standard is one action among many
that are possible and does not preclude other
actions to support EV adoption or to reduce
emissions in other ways.

We received lots of comments suggesting
other ways to reduce greenhouse gas emissions from
transportation, especially including the use of
biofuels. We have also received many other
comments suggesting other ways of bolstering
electric vehicle adoption in Minnesota, including
through purchase incentives and additional
investments in electric vehicle charging stations.
Some of those actions are things already being
supported in other work by the state and our
partners and some are things that would require
additional policy, funding or regulatory actions.

Adopting Clean Cars Minnesota can work
hand in hand with other possible actions and the
MPCA recognizes the need for a portfolio of actions
to reduce emissions.

Thank you again for joining us today.

This concludes the Agency presentation, Your Honor.
Thank you.

THE JUDGE: Thank you very much.

If I can have you advance to slide -- yes, that's
the one. Thank you. So as a reminder before we
get going on the comments we are going to take a
brief break. While we are taking our break, I'm
going to have this slide stay up so everyone can
see how to make comments.

If you are here on Webex with a video
access, please note that you would like to make a
comment in the Q and A box to the bottom right of
your screen. If you are here by phone, please
press star 3. And if you are able to do so, please
e-mail cleancarsmn.pca@state.mn.us and let us know
your first and last name and your phone number.

A couple of brief notes to let you know
about before we go to the break. First, there are
a couple of commenters who -- maybe three or four
folks who came to yesterday's hearing and waited a
very, very long time and we were not able to get
them in and they graciously volunteered to forego
commenting yesterday and come back for the second
day of hearing. We have those folks, and there are
just a couple of them, at the beginning of the
queue because they were not able to comment
yesterday. We just could not accommodate them
during the time period. So we are going to take
those commenters first and then we are going to go
to today's queue.

If you want to get in the queue, please
let us know. I will ask also that if you have a
particular time constraint we will try to
accommodate you. I don't know that we will
absolutely be able to do that. But I would like to
try to do that. If you have a time constraint,
please put a note into the Q and A so the Agency
can figure out how to slot you into the queue.

Again, remember, five minutes for the
comment period. So as you are thinking about what
to say when we start the comment period, please
remember that I'm going to be limiting comments to
five minutes.

If you spoke yesterday, if you were
here yesterday and you did have a chance to speak,
you can speak again after everyone from today's
hearing has had an opportunity to speak. So for
folks who are returning from yesterday who did have an opportunity to speak yesterday and for those of you who are going to speak today, once we get through the initial range of speakers, then I'm going to open the floor for additional comments by people who had spoken before.

For the Q and A, one note to make. The Q and A is not a part of the official comment record of the proceeding. Yesterday we had a couple of folks there were some instances where people sort of made comments on what some of the other commenters were saying. Please, actually don't use the Q and A for that function. It would be helpful if we limit the Q and A to the request to speak and to time constraint issues and to technical matters. If you are having technical difficulty, that can be a way for you to contact the host. But please don't put substantive comments into the Q and A, because I won't be able to consider those. So, again, please enter the queue by putting your name into the Q and A box or press star 3 and e-mail cleancarsmn.pca@state.mn.us.

So we are now going to take a 10-minute break before we segue into the public questions and
comments. Remember, when we come back you can ask
the Agency questions, you can make comments on
things and that there will be a five-minute limit.

So it is 4:08. We will be adjourned
until 4:18 and I will reconvene the hearing at that
time. Thank you.

(At this time a brief recess was taken
from 4:08 p.m. until 4:18 p.m.)

THE JUDGE: It is 4:18, according
to my computer clock. We are going back on the
record for the question and comment period. Give
me a moment. I'm changing my display so I can see
all of the folks as they are coming up.

All right. So the Agency put up the
queue during the break so that people can sort of
see how the queue is arranged and where they are
coming up in the queue. So we have our first
couple of speakers that I'm hoping will be about
ready to go. Let me find out from the Agency do we
have Mr. Samelson? I think Mr. Samelson is just
about to join. So let me see.

Mr. Samelson, I believe that you are
first on the list. Can you unmute yourself and
then turn on your camera, if you are able to do
that.
LEE SAMELSON: It looks like my camera is on.

THE JUDGE: I can see you. Sometimes the camera has a little bit of a delay. Let me see. I'm still not seeing you, but we can go ahead and take your comment by audio even if your camera does not turn on. So if you want to take one more try of turning on your camera. We can do that. Otherwise we will just go ahead and proceed with you by audio.

LEE SAMELSON: All right. Oh, yeah, start video.

THE JUDGE: All right. So, Mr. Samelson, please state your name, spell your first and last names for the record.

LEE SAMELSON: Yes. It is L-e-e is the first name. Last name is S-a-m-e-l-s-o-n. Thank you, Your Honor. I support Minnesota adopting the LEV and ZEV rules which look to be sensible, reasonable and a win-win. It only applies to light-duty new vehicles. It matches what we had federally from 2012 to 2020. It has a two-year gap to adapt. And it bends quite away to be accommodating to the manufacturers and the affected parties who we heard from yesterday.
I also heard from many speakers yesterday how the LEV and ZEV rules would actually give more consumer choice and not less and people who want an EV should be able to get one without having to face a barrier of dealerships not caring them due to lack of this policy.

The rule will not cede authority to California or any other state because the enabling law is already on our books, as the presenter at the beginning had explained.

I am a non-driver. And as someone who bikes to get around I do not like having to breathe dirty exhaust from cars largely because some engine manufacturer somewhere refused to deploy fuel saving technology from off the shelf and into mass production. And I can weigh in how I -- I do like how EVs do not have the same level of annoying expensive maintenance hassle as internal combustion engines. And I'm excited by how EVs can also help provide storage for a cleaner electric grid.

And when I heard the word no backsliding in the presentation at the beginning, that struck me as a most powerful metaphorical word imagery in regard to a driving reference. As the steps and these proposed rules are basically steps
which we should have done, like, 20 years ago.

And, overall, our decision makers can't just
operate from an assumption that oil for gasoline
will be cheap and abundant into the indefinite
future. And the transition to alternative
technologies has to happen before the downslope in
oil extraction rather than in reaction.

So I see this as an opportunity to
discontinue this horrible informal tradition we
have of clinging to the status quo until some
disruptive crisis happens. And though it is a
bigger picture than this specific rule, we can't
hide that discussion behind an Orwellian veil of
silence.

To summarize it, the oil that remains
in the ground will be increasingly dirty and hard
to get, like we see with the Alberta tar sands and
with the declining energy returned upon energy
invested ratio. And I'm quite worried about the
environmental impact of doubling down on the status
quo.

And from my experience I remember
seeing a documentary called Who Killed the Electric
Car about 15 years ago, which was -- which it
exposed some selfish actors who were blocking a new
industry from having a chance to succeed. Although
I'm not an expert on the topic, I was motivated to
comment because -- I was a bit upset to hear how
the big oil or Koch network or whoever has been
instigating this misinformation on this actually
very modest proposal has been doing so.

It also made an impression on me how
Mrs. Jarrett at the beginning had to spend quite a
bit of time trying to inoculate against
misinformation. Which I am thankful for. And so
if anyone who is in the past claimed that Line 3 is
necessary because, oh, we need the oil and then
speaks out against these bare minimum steps to
decrease oil dependency, that comes across as
disingenuous I find.

Those are the extent of the comments
that I had wanted to make today.

THE JUDGE: Thank you very much.

Michael Schweyen. And I'm going to tell you in
advance now, all of you, I'm not the best at
pronouncing names. That's not one of my great
strengths. So I may mispronounce your name. I
apologize. Please correct me.

So our next speaker is Michael
Schweyen.
MICHAEL SCHWEYEN: Hello, Your Honor. Good afternoon.

THE JUDGE: Hello. Please tell me if I pronounced your name right. So state and spell your name, please.

MICHAEL SCHWEYEN: You did. Good pronunciation. So, thank you. First name is Michael, M-i-c-h-a-e-l. Last name is Schweyen, spelled S-c-h-w-e-y-e-n.

Many years ago in Rochester I created and taught a community ed. class. I created it and taught it about hybrid and electric vehicles. And the response from the public was strong. There were a lot of people that came to the class. A lot of questions and people were interested. And this was 8 to 10 years ago. And to me that's a very strong demonstration of people's interest in this.

Also, I think it represents the fact that Minnesotans, we are intelligent, we are progressive and we are aware. And we are ready for this, we want this and we need this. We are prepared to --

THE JUDGE: We are getting some feedback on your line, Mr. Schweyen, and I think it's going to make it more difficult for the court.
reporter. If you have other electronic devices near you, sometimes turning those off helps.

MICHALE SCHWEYEN: Okay. I'm not sure if that's mine. I think it's somebody else's.

MAGGIE WENGER: Your Honor, I did just mute a few other lines, including the court reporter. I apologize, Susan.

THE JUDGE: I think that will probably help. All right. Mr. Schweyen, sorry, if you can just sort of repeat the last thing that you were saying before I broke in.

MICHAEL SCHWEYEN: Sure. I just wanted to say that Minnesotans are clearly we are intelligent, we are progressive and we are aware. We are ready for this. We want this. We need this. And we are proposed to lead the Midwest and many other states to adopt this.

And I wanted to start out by giving just a very brief history of environmental awareness in the United States. In 1962 the book Silent Spring by Rachel Carson was published. That really woke people up. In 1968 the photo by an astronaut of the earth rising over the moon really showed people how the earth is just a solitary orb floating in space and it's a very unique place.
The first Earth Day was created April 22, 1970. Gaylord Nelson was a key part of that. He's from Wisconsin. Since that time, auto sales have increased, but other improvements have been made. We have gotten rid of lead in gas. We've developed catalytic convertors. The federal government has developed these CAFE Standards. But then that brings us up to current time. James Hanson is a world renowned climatologist. He wrote a book called Storms of my Grandchildren in 2010. And that's over 10 years ago. James Hanson was born in Iowa. And he has made the case for how we are affecting our climate and how the weather and the recent storms we've had are a cause of that.

The only one of the few many things we can do is to control our emissions from our vehicles. And so that's a critical part of our history. And my point is it's the 21st century. It's time to take action. We do not have time to mess around. The first Earth Day was over 50 years ago.

So two things I wanted to point out. I am a trained professional traffic engineer. At traffic signals -- there are thousands of traffic signals in Minnesota. At every one of those...
signals vehicles stop, they idle and then they accelerate to leave. Any internal combustion engine that's idling there is wasting gas for no reason. Electric vehicles can just sit there. They are not using energy. They are not creating pollution. And I just want to point that out because there are thousands of signals throughout the state, in every urban area, and unless you are driving on an interstate or a rural two-lane highway you are encountering traffic signals. And these ICE vehicles continue to add to pollution that way.

The other thing I want to point out is the loss of revenue to the state. The Minnesota vehicle sales tax or MVST is a critical component for funding for our highway trust fund. And for the people that testified yesterday, if they have to go to a different state to buy a vehicle, we are losing that sales tax money and the MVST and the other components of our highway trust fund the revenues are already decreasing for many reasons. By enacting this rule we are going to get more people the opportunity to learn about electric and hybrid vehicles and to purchase them and to contribute to the MVST fund.
So my last question to you and to all of us is if we are not going to do this, why not? And if we are not going to do it, when? It's beyond time to take action. It's beyond time to talk about it.

I feel that the legal authority and the legal procedural attributes have been fully fulfilled and that Minnesotans are ready for it and we want it. Thank you, Your Honor.

THE JUDGE: Thank you very much. So for those of you who are going to speak you will receive some sort of additional permissions as you are loaded into the queue. And as you are getting close to your spot in the queue you should leave your computer or your phone you should leave things on mute until we call on you, just so we make sure that we don't have too much feedback or use of bandwidth. So if you can stay on mute until then, that's very helpful.

Our next speaker is Anjali Bains.

ANJALI BAINS: Hi. This is Anjali. Can you hear me?

THE JUDGE: I can hear you. I cannot see you yet. But there's sometimes a little bit of a delay on the camera.
ANJALI BAINS: I was actually wondering, so there is a gentleman in the queue Adam Lee who needs to head off early and I was wondering if we can switch my spot and I can take his spot at the end of the list.

THE JUDGE: That is fine with me. Can we load Mr. Lee into the list in place of Ms. Bains? If you could just give us a minute logistically I think to get that done.

MAGGIE WENGER: Your Honor, I believe Adam Lee is in as a panelist now.

THE JUDGE: Mr. Lee, if you can unmute yourself, please, and turn on your camera, if you are able to do that. Thank you. All right. Mr. Lee, go ahead and state your name and spell your first and last.

ADAM LEE: My name is Adam Lee, Your Honor. It's A-d-a-m L-e-e. I'm a third generation car dealer whose family has been selling cars in Maine since 1936. When we started selling cars, the Model T was the most popular car on the road.

Prior to the pandemic, we averaged about 10,000 cars and trucks a year. That has dropped a little bit. We are the largest volume
dealer in the state. We are the largest Ram truck
dealer and Jeep dealer. We are also the largest
hybrid and electric car dealer. We sell both.
Prior to the Tesla Model 3, we have been the
largest, as I said, electric and hybrid dealer for
probably 10 years or so.

I would not have access to the volume
of electric vehicles if it weren't for the fact
that Maine, which is where we operate, was a clean
car state. I understand Minnesota is considering
joining the other 12 states and now 13. I think
Virginia just joined. And I would recommend it.

The ZEV program has been good for Maine
both for dealers, our customers and for our
environment. Our company sells a variety of cars.
Honda, Nissan Chrysler, Toyota, Jeep. From these
brands we sell the Prius Prime, which is a plug-in
electric, the Chrysler Pacifica and a Honda
Clarity. All plug-in hybrids. We also sell the
all electric LEAF both new and used. Our biggest
challenge has been getting as many as we need. As
demand often outstrips supply. I look forward to
the dozens of new models coming in the next few
years. As there is tremendous interest.

Electric cars and plug-in electrics are
not only clean, they are fun to drive and less expensive to maintain. Most fully electric cars require almost zero maintenance. Tires, brakes, windshield wipers. There is no oil, no radiator, no transmission, no gears, no sparkplugs. And best of all no gasoline. While the upfront costs may be a little higher, our customers have consistently found they are cheaper to operate.

As a dealer, and I've been doing this my whole life, I'm a third generation dealer, been doing this for 33 years, I'm not required to do anything under the clean car ZEV program. The manufacturers comply with the program by sending EVs into the state that would otherwise be sent elsewhere. And I'm glad they do. They have sent more of them to Maine than many other states. And we sell them. Annual EV sales increased in Maine over the past year by 40 percent. I expect that trend to continue dramatically.

One thing I would point out. Currently there are about 20 EVs that have just come to market and in the next year there will probably be another 20. And General Motors, Volvo, a whole group of companies, even Rolls-Royce have announced that in the next 10 to 15 years they are going to
stop making gasoline powered cars. You know, some
of those may end up happening on their schedule.
Some may not.

If you look at the list of EVs, I found it fascinating, there's a footnote on many of them that say not available in all states. And what that means is they are sending the cars to the Clean Car states. So by not being a Clean Car state you are denying your dealers and your customers, consumers the opportunity to buy cars that just won't be there. They won't be on the lots.

I've had no trouble selling EVs. The manufacturers have been very supportive with promotional materials, financing, leasing, advertising and training. I see much higher EV sales volume ahead.

You know, when we started selling these, the range was 100 miles. Now they are 2 to 300. And the cars coming out are even higher.

The one thing I will say from a dealer's perspective is we do sacrifice service business with EVs because, as I said, there's no lubricated parts, no engine, no transmission to replace or repair. And I would ask all of you do
you know anyone that's ever had to replace a
transmission for thousands of dollars. That never
happens.

EVs have given me enough sales
opportunities that we have adapted our business
model to some of those changes. What I would say
is if we are not doing it with the manufacturers we
have, someone else will. As a result, we have
adapted and thrived. I expect the Minnesota
dealers will see the same success that we've had.

I guess with that I would say if
anybody has questions, I'm happy to answer any
questions you might have.

THE JUDGE: And I think, Mr. Lee,
if you want to stay on the line as long as you can
and if someone has a question for you I would ask
you to type it into the comments and we can see if
we can get Mr. Lee back.

MR. LEE: Sure.

THE JUDGE: Thank you very much.

Our next commenter is Amber Backhaus. Backhaus.
I'm not sure. You will have to correct me.

AMBER BACKHAUS: Thank you, Your
Honor. And you got it. It's Amber Backhaus.

THE JUDGE: Thank you.
AMBER BACKHAUS: It's spelled A-m-b-e-r B-a-c-k-h-a-u-s. And I'm from the Minnesota Auto Dealers Association. I'm speaking on behalf of 348 franchise new car dealers located across Minnesota who directly employ over 20,000 Minnesotans.

Our member dealers who are not owned by the manufacturer but are independent businesses question the need and reasonableness of the proposed rule.

The MPCA states that it has historically relied on EPA's federal emission standards for vehicles, since they are an important part of the actions needed to reduce greenhouse gas emissions.

When the Trump administration slowed the reduction in greenhouse gas emissions from passenger vehicles, the MPCA declared adoption of California's more stringent low-emission vehicle or LEV Standard is needed to avoid backsliding.

However, the new Biden administration has announced its intention to abandon the Trump administration's rule and revert to more stringent greenhouse gas emission standards. Reinstitution of more stringent standards at the federal level
would deliver the reductions in greenhouse gas emissions the state was counting on to make progress on its climate goal. With this change in federal policy, two of the three needs identified in the SONAR, climate change and maintaining stringent vehicle emission standards, can be satisfied without adoption of California's rule.

Secondly, the California Air Resources board is in the process of updating the LEV and ZEV rules for model years 2026 and beyond. And per an executive order by California Governor Gavin Newsom the updated rules which could go into effect one year after the MPCA rule does will include a phaseout of the sale of new vehicles with internal combustion engines by 2035.

MPCA Commissioner Laura Bishop has repeatedly stated that the ban isn't part of Governor Walz's plan. But the Agency will almost immediately need to decide whether to incorporate the ban to conform with California unless it's automatically incorporated, since the MPCA is proposing adoption of California's rules as amended.

Going through the rulemaking process now and having a delayed effective date creates
great ambiguity about what we are actually adopting
and under which rule Minnesota would operate.
Because of this we are asking that the rulemaking
process be paused until these developments are
sorted out.

Additionally, the MPCA's analysis is
unreasonable because it is based on faulty data
that ignores how the motor vehicle supply chain
works.

The MPCA points to the lack of electric
vehicles or EVs for sale in the state as a reason
for the Agency to use its regulatory authority to
adopt a ZEV.

However, the MPCA vastly undercounts
the EV supply by pulling data from cars.com.
Cars.com is not an aggregator of vehicle supply.
It's a third party advertising platform dealers pay
to use if they want to list their vehicles for
sale. The MPCA's numbers in the SONAR about EV
availability are woefully inaccurate. MADA's own
analysis of EV supply pulled from manufacturer
websites on a variety of dates show at least twice
as many EVs on dealer lots in Minnesota as what was
listed on cars.com.

We also reached out to our members in
Duluth, Bemidji and Marshall to find out whether they had EVs available on July 9, 2020, since the MPCA claims they didn't. While none of the Bemidji dealers are currently authorized by their manufacturers to sell EVs, there are dealerships in Marshall and Duluth who are and they in fact had EVs on their lots. Since none of them pay to advertise on cars.com, those vehicles didn't show up in the MPCA survey for the SONAR. And while the Chevy Bolts available in those locations eventually sold, the dealer with the Chrysler Pacifica sold it at auction since there were no interested customers after many months and he was losing money on it.

If the current models of EVs were selling within 60 days, our dealers would be stocking more of them. But with some models that sit on dealer lots for as long as nine months dealers aren't going to buy more if they can't sell what they already have.

Which gets to the next fallacy about the ZEV. Supplying more EVs does not translate to more purchases of them. The proposed benefits of the ZEV rule that the MPCA touts in terms of cost savings and emissions reductions are based on all of the EVs mandated under the ZEV rule selling.
But that's not what the MPCA's sales forecast in the technical support document shows. In 2024, the first year of the ZEV mandate, the MPCA estimates manufacturers will need to deliver 18,852 EVs to Minnesota to comply. Yet the analysis on page 51 of the technical document shows only 7,410 of those are expected to sell. The MPCA is fond of saying that no one is required to buy an EV under the rule. But Minnesota dealers will as they buy their inventory upfront from the manufacturers. And according to the MPCA dealers will have to purchase 11,442 more EVs than are forecasted to sell to consumers in 2024.

With incomplete data on the state of the EV market in Minnesota and no consideration of the true cost of this rule on Minnesota dealers, the MPCA can make adoption of the LEV and ZEV look reasonable. But nothing could be further from the truth. Minnesota dealers are scared that the increased costs will jeopardize their livelihood and those of their employees. And for Minnesota to plow ahead when the federal government may address the underlying need is unreasonable. Especially since a federal solution would not disadvantage Minnesota dealers.
For those reasons we ask Your Honor to stop the adoption of these rules or at a minimum postpone the process until we consider what the federal government and California have in store for us.

And just quickly I would like to say I'm very proud of the fact that we way out sell Maine in EVs in Minnesota by almost four times as many as the previous speaker said. So we are on the right path here, but we don't think this is the way to go.

THE JUDGE: Thank you very much for your comment. There are two questions that were posted in the Q and A for Mr. Lee. So, Mr. Lee, if you are still with us -- I'm going to allow some limited back and forth for the purposes of interaction, Mr. Lee. But I'm going to ask the questions that have been posted rather than have everybody get on and go back and forth, just to keep the hearing running efficiently.

So, Mr. Lee, you can unmute yourself. I'm going to pose these two questions. Then I think we're going to let you go for the evening.

All right, Mr. Lee. And it looks like your camera is on. And Adam, A-d-a-m L-e-e again.
Mr. Lee, one question. I heard dealerships are concerned about the investment for equipment and training for EVs and PHEVs. What would you tell them to help alleviate their concerns?

ADAM LEE: Well, I would say with every new model there are special tools we have to buy. It doesn't matter if it's an EV. Any car that comes to market often has unique tools. EVs are the same. So whether it's a Honda Accord, a Toyota Camry or a new Nissan LEAF, we need to buy special tools. And that's part of our business is maintaining the technology. There are far fewer tools required for an EV than a normal car.

THE JUDGE: And then a question for Maine. With cold temps in both Minnesota and Maine, if Maine EV owners are happy, our Minnesota EV owners will be okay in winter use, right? Is the question.

ADAM LEE: Yeah, I believe so. I mean, listen, they do degrade in the wintertime 10 to 20 percent lower range. And Maine may not be quite as cold as Minnesota. But Maine is plenty cold. That is the reality of batteries. But if you have a 2 to 300 mile range you lose 20 miles,
30 miles. Most people can adapt to that.

THE JUDGE: And then I think that you had posted, Mr. Lee, if you could ask a question of Ms. Backhaus.

Ms. Backhaus, are you willing -- this is not really intended to be a back and forth quite that way. But I do want to accommodate it a little bit because I think there is some very interesting perspectives being articulated here that may assist other commenters.

Ms. Backhaus, are you willing to answer a question from Mr. Lee?

AMBER BACKHAUS: Yes, I would be happy to. I would also love the opportunity to answer the question he was asked about dealer investments as well.

THE JUDGE: Okay. Let's do that then. And then I'm going to kind of cut off questioning on this point. So, Mr. Lee, your question for Ms. Backhaus and then I will let Ms. Backhaus make one more statement.

ADAM LEE: It's a question and a statement. You know, right now, my biggest struggle is getting enough cars. The manufacturer is not allowed by law to cram cars on me. If I
don't want them, I can turn them down. Does
Minnesota have different rules for some reason on
that? Because I think it's federal.

    AMBER BACKHAUS: Yes, thank you.
No, Mr. Lee, actually the franchise laws are state
by state. So I couldn't speak to the differences
between Maine's franchise law and Minnesota's in
terms of what sort of obligations there are in
terms of what we can and cannot take from the
manufacturer.

    ADAM LEE: So you think the
manufacturer is allowed to force the dealers in
Minnesota to take cars they don't want?

    THE JUDGE: I'm going to stop you
there, Ms. Lee. Because Ms. Backhaus answered your
question and I do want to keep us on track here.

    Ms. Backhaus, you indicated you wanted
to make one additional statement in response to
something Mr. Lee had said. And then I'm going to
let both of you be released.

    AMBER BACKHAUS: I appreciate it,
Your Honor. The question was about the investment
the dealerships need to make to be able to sell
EVs. And I did want to address that. We will put
this in our written comments as well.
But dealerships do need to make significant upfront investments to be authorized by their manufacturers to sell electric vehicles. When the Chevy Volts with a V first came around, it was maybe around $15,000. But we have seen with some of the latest and greatest models coming online which our dealers are excited to sell, those costs can be upwards of 150,000 to $200,000. So for smaller independent dealerships, which Mr. Lee obviously has many franchises so he is not a smaller one, you know, that is pretty significant if you don't have those capital costs to make the investments to be authorized to sell the electric vehicle. And, again, you want a return on that investment. And, you know, while sales are still slow, some of our dealers are estimating that could be 18 years before they are going to recoup those costs. So just again forcing more supply doesn't necessarily equate to sales. So there are definitely some other cost factors here in play that impact the availability of EVs in the marketplace and dealer investments.

THE JUDGE: All right. Thank you very much. And as Ms. Backhaus noted, she's going to file her comments. To the extent that there are
more extensive comments that you want to offer, please do file written comments. Generally it's very common for organizations such as the Minnesota Auto Dealers to make an initial sort of summary of comments and then file more extensive written comments. So I encourage everyone who would like to do that to do it.

I want to remind you that the Q and A is not a place where you should comment generally on each other's comments. So I see someone who has commented. That comment is technically not in the record. So for you to make a comment you need to present oral comments here tonight or you need to file written comments. Please do not just sort of generally start commenting in the Q and A because it will make it more difficult for us to manage to kind of move the hearing along.

So I appreciate all of you who were waiting patiently while we kind of went through that back and forth. And I hope that that was helpful and interesting and elucidating for the rest of the folks here.

Our next commenter is Amy Schwantes. All right. Ms. Schwantes, did I say your name correctly?
AMY SCHWANTES: You did.

THE JUDGE: We had a commenter with that last name last night. So I got schooled. So I had a little bit of advanced practice. Go ahead and state your name and spell your first and last.

MS. SCHWANTES: That's great.

Thank you for this opportunity, Your Honor. My name is Amy Schwantes. A-m-y S-c-h-w-a-n-t-e-s.

I'm a Minnesota resident and I live in the eastern end of the Twin Cities and I'm here to encourage support of the Clean Cars rule and the real increased choice in public safety this rule will make possible.

Having listened to five hours of testifying yesterday, I'm only further convinced regarding the reasons and need for the adoption of this rule. And I'm more skeptical regarding the anecdotal information of those arguing against. It seemed to me that it was Minnesotans arguing for and, you know, not so much against.

I heard a story once that humans are like ostriches. We put our heads in the sand. We choose to avoid acknowledging approaching dangers. And it's only when the lion takes a bite out of us
when we finally pull our heads out of the sand and face reality too late.

I agree with so many who have testified before me including Michael just a few minutes ago with regard to our changing climate. We simply do not have time to put our heads in the sand. We don't have the luxury of time to make everyone comfortable and ensure that no entity needs to scramble. Climate change is here. We are late in responding, late in acting, determinately holding to the status quo, even though most of us know that change is inevitable.

Clean Cars will make it easier for people to do the right thing, for all of us to do the right thing by converting to zero-emission and hybrid vehicles. And it will make it easier to have access to the choices that are already out there, just not available conveniently or economically to Minnesotans.

Arguments in support of Clean Cars related to air pollution are ultimately persuasive, science based and conclusive. So I would like to focus my testimony going forward on sound pollution, something I haven't heard mentioned, and the benefits that Minnesotans will experience with
the proliferation of ZEVs and hybrid vehicles
related to reduced automobile and road noise.
Maybe this rule could better be called Clean Cars
Quiet Cars.

If you have ever been in one of these vehicles on the road, it almost makes you laugh
with surprise and delight. They are so, so quiet it's like a miracle. But they are real.

Those who live along busy traffic corridors are already asked to bear a
disproportionate price for all of us getting where we want to go. And that price manifests not only
in health detriments brought on by air pollution, but also health detriments brought about by noise pollution. This occurs in cities, in metro areas. But it also occurs in rural areas and in outstate.

MnDOT, the Minnesota Department of Transportation, spends enormous sums trying to reduce impacts of the noise our cars and trucks force into the air. We know it's a problem with very real human costs. High noise levels contribute to cardiovascular problems, coronary artery disease, hypertension and stress, tinnitus, sleep disturbances and faster cognitive decline. Something I have experienced myself. Excessive
sound interrupts and disrupts life. Human and animal. For animals, excess noise can interfere with predator and prey detection, navigation and reproduction. We know based an MnDOT studies that there are many problem noise pollution areas throughout the state. Clean Cars will help overcome that problem.

I would like to offer a personal experience that opened my eyes and opened my eyes by opening my ears to the pervasiveness of the problem of noise pollution in the state.

In the course of last year I kayaked many, many miles of one of our state's treasures. The wild and scenic St. Croix River. My eyes looked out on absolute beauty of relatively untouched looking nature. And I felt so grateful for the foresight of those who charted protections for this great river for all of us. My eyes took all this in. But for much of this trip by ears told another story. The highways and busy roads were often just out of sight, but most certainly not out of hearing range. And this is a federally protected natural asset. How can we deny that part of protecting the natural beauty of a place also requires us to protect the audible aspect of that
nature. How is it getting away if we hear a steady stream of cars and trucks?

More ZEVs and hybrids will give us greater quiet, going far to lower average road noise and improving Minnesota's quality of life and health both physical and mental. Every single piece of the puzzle matters. I believe this matters.

I also strongly urge inclusion of the early action only credit allotment. As I believe --

THE JUDGE: Ms. Schwantes, I am going to ask you to wrap it up because you are right on your time.

MS. SCHWANTES: Okay. I just said I urge early action only credit allotment. I believe this allows manufacturers and vendors ample time to ramp up. I would never underestimate their ability to adapt in pursuit of closing the sale.

Thank you so much.

THE JUDGE: Thank you very much.

And then I have Tim Schaefer next. And I believe you already have your camera on. If you can unmute yourself. And, Mr. Schaefer, go ahead and state your name and spell your first and last name.
TIM SCHAEFER: Thank you. The is Tim Schaefer. That's T-i-m S-c-h-a-e-f-e-r.

THE JUDGE: Thank you. And let me ask, for the court reporter, are you able to hear Mr. Schaefer?

THE COURT REPORTER: Okay. Good.

THE JUDGE: Go ahead, Mr. Schaefer.

TIM SCHAEFER: And I'm with Environment Minnesota. Thank you for the opportunity to testify today, Judge Palmer-Denig.

THE JUDGE: I'm sorry?

Environment what?

TIM SCHAEFER: Environment Minnesota.

THE JUDGE: Environment Minnesota.

Thank you.

TIM SCHAEFER: We are a public advocacy organization with over 7000 members around the state. I want above all to make two things very clear. The Minnesota Pollution Control Agency has the clear authority through the Clean Air Act to regulate air pollution and should continue to use that authority to aggressively combat climate change and protect Minnesotans' health. This rule
is an important part of that effort.

   And I also want to be clear that some
of Minnesota's auto dealers oppose this because
they are stuck in their ways. Auto dealers have a
lot of power to decide which models they sell. And
right now that means mostly gas guzzling SUVs and
light trucks. This rule will make sure that
Minnesotans at the very least have the option to
buy something better.

   As we all know, climate change is real
and it's a problem that we have to solve as quickly
as possible. Transportation is now the number one
source of greenhouse gas emissions in Minnesota.
But you might think differently after visiting your
local car dealer. Right now less than 1 percent of
cars available for sale at dealerships are
electric. And that's in the Twin Cities. It's
even worse elsewhere in Minnesota. And that's
compared to about 4 percent globally last time I
checked. So the market simply isn't going to fix
this quickly enough. If anything, it's headed in
the wrong direction. SUVs and light trucks are
forecast to make up about 78 percent of the new
vehicle sales by 2025. And right now very few of
them are electric or hybrid.
And this is getting a little bit into maybe philosophical matters, but rules are one way we express or values in a democracy. And if we are serious about fighting climate change we need rules that reflect that. If we want to transition our economy off of fossil fuels, then at the very least we need to ensure that electric vehicles and hybrids -- and that includes SUVs and other light trucks, assuming that they are electric or hybrid, are available for sale everywhere. This isn't a ban on combustion engines or even a mandate that dealers can only sell electric or hybrid cars. This is just the right thing to do. It's a step in the right direction.

And first we know that there is so much more we have to do even when this rule is finalized. We need charging stations in places where people will actually use them. We need robust investment in mass transits and we need to give people real alternatives to driving. But our system, our transportation system is built for cars right now. As long as that's true, people must have the option to buy zero-emission vehicles. Without this rule, that may not happen. So please finalize the rule as proposed and give the PCA the
power to do its job.

THE JUDGE: Thank you very much.

Our next speaker is Anne Borgendale.

ANNE BORGENDALE: Hello.

THE JUDGE: Hello. I can hear you and see you. Go ahead and state your name and spell your first and last names, please.

ANNE BORGENDALE: I'm Anne Borgendale. A-n-n-e. Last name, B-o-r-g-e-n-d-a-l-e. I'm here today representing Clean Up The River Environment, better known as CURE, C-U-R-E. CURE is a 30-year-old rural grassroots organization based in Montevideo, Minnesota which is in the far western part of the state. All of our staff along with most of our board and membership live in rural communities. And CURE's work focuses on climate, energy, water in rural democracies. And Clean Cars is essential to all of these issues.

Today I will be speaking in support of adopting the Minnesota Clean Car Standard. CURE feels Clean Cars is a very reasonable and needed measure to address some of the present energy, transportation, economic and climate and air pollution issues currently facing rural places.
I also have a colleague from CURE who will be testifying later specifically about the impacts of Clean Cars on rural electric co-ops. Rural communities are some of the places that can benefit the most from the proposed Clean Car rules. Living in a rural community is a regional experience. This often means you need to drive further distances just to get to work, school, medical appointments, grocery shopping and socializing. Having more practical and efficient vehicle options that are cheaper to maintain and fuel will mean cost savings every time you drive. And given the extra mileage we often drive this will add up very quickly.

Policies like the proposed Minnesota Clean Car Standard help to level the playing field for communities across the state. These rules help to ensure that rural communities will have better access to the EVs that are currently available in other states and models that otherwise that might just be available in large metro areas as well.

Low-emission vehicles and EVs also reduce climate pollution and air pollution. And this is a really great way for rural residents who are concerned about greenhouse gas emissions to
reduce their carbon footprint. Because it's really
difficult to ask rural folks just to drive less to
reduce the climate impact.

Another exciting benefit for Clean Cars
for rural places is greater vehicle choice and
access to the common types of vehicles rural
drivers want and often need such as trucks and
SUVs.

Ford, GM, Tesla, for example, have all
announced in the next year or two they will be
releasing electric pickup trucks and SUVs. Rural
Minnesotans should have easy access to these kinds
of vehicles and I think and CURE thinks that Clean
Cars will help with that.

And there is also air quality. This is
not just a city issue. As cited earlier, the 2019
Life and Breath Report from the Minnesota Pollution
Control Agency Department and Department of Health
found that rates of death attributable to air
pollution were actually higher in rural areas than
in cities. And this is particularly bad in
southern Minnesota and along our border with South
Dakota. Which is where I personally live. There
are many significant global changes coming to our
energy and transportation system in the next 10 to
15 years. And the Minnesota Clean Cars Standard is just one small step in helping Minnesotans especially in rural places have a head start in preparing for this changing world.

A similar example. Twenty years ago, that might not have seemed important or it might have seemed too expensive to help all Minnesotans have affordable access to broadband internet. But today in 2021 there are still too many places especially in rural communities that don't have easy access to broadband internet. And this continues to hurt people's abilities to make a living, start and growing business and educate kids.

In 20 years it would be shameful for rural communities to be facing similar challenges around transportation, not having easy access to the sufficient vehicles or the infrastructure to support EVs. Minnesota needs to be a leader in energy and transportation to help our communities across the state thrive. The Clean Cars Standard is limited in scope and does not address all the challenges that are facing our communities, but is a reasonable and needed step to help in this transition. Thank you very much.
THE JUDGE: Thank you very much.

Our next speaker is Michael Huber. If you go ahead and turn off -- unmute yourself is what I mean to say. And then go ahead and turn on your camera if able to do that, Mr. Huber. Mr. Huber, I don't know if you are able to hear me. I'm not seeing you unmuting or seeing your camera.

MICHAEL HUBER: Hello.

THE JUDGE: Hello. Mr. Huber, are you able to turn your camera on?

MICHAEL HUBER: I was trying to. I see my camera, but I might just be sound only.

THE JUDGE: Let's go with sound only. That's just fine. Mr. Huber, go ahead and state your name and spell your first and last names, please.

MICHAEL HUBER: My name is Michael Huber. It's M-i-c-h-a-e-l. Huber, H-u-b-e-r. And my wife and I are Minnesota EV owners and we support Clean Cars Minnesota. We have driven electric cars for four years and over 40,000 miles. We purchased our cars in Oregon while we lived in Washington state. And we brought them back with us when we moved back to Minnesota in July of 2019.

We have a 2014 Nissan LEAF and a 2018
Honda Clarity plug-in hybrid. We have heard from others that they would like to purchase a Clarity but they are not available in Minnesota. We have met people who have had their electric cars shipped across the country to Minnesota because they are not available here. More electric car options are coming out every year and I would like to have more electric car options to purchase. Minnesota dealerships on the border will sell more EVs as Wisconsin car shoppers will come to Minnesota to purchase EV cars just like we did when we purchased our EVs from Oregon.

We would love to see more electric charging station options within Minnesota as well. Although we do primarily charge our cars at home.

Some of the things we love about driving electric cars are charging our cars overnight and not having gas fumes polluting our garage when we start the car in the morning. I also don't miss having to fill up my car in the cold in the Minnesota winter. We can preheat our car before leaving on cold days. We contribute to having cleaner air because we have zero emissions. And unlike gas cars our cars will keep getting cleaner as the electric grid relies more on
renewable energy sources. I feel better when in rush hour traffic because I am not wasting gas and polluting the air. My fuel efficiency actually increases. Electric cars are superior to gas cars in almost every area. They are a smooth, quiet ride, fun to drive, less expensive to maintain, no more oil changes, better safety features than traditional internal combustion engine or ICE cars.

Please support Clean Cars Minnesota and give Minnesotans the opportunity to discover the joys and benefits of driving electric cars. Thank you very much, Your Honor.

THE JUDGE: Thank you. Our next commenter is Stan Gosiewski. I'm not seeing him loaded up yet. But if we can get Mr. Gosiewski participating by Webex or is he on the phone. Here we go. I'm sorry. I had Stan and now I'm seeing Sean. I apologize. Can you unmute yourself and let us know for sure what your name is.

SEAN GOSIEWSKI: Hello. Sean Gosiewski.

THE JUDGE: Please go ahead and state your name and spell your first and last names.

SEAN GOSIEWSKI: Sean, S-e-a-n,
Gosiewski, G-o-s-i-e-w-s-k-i. And I will be also submitting these comments in a written format so the stenographer doesn't necessarily have to write them down, but they can if they want.

So I work with Resilient Cities & Communities and we are supporting a network of local leaders with 40 Minnesota cities that are working to achieve their carbon goals on time. And many of these cities have adopted climate goals in their new comprehensive plans and they are working to reduce emissions related to transportation, buildings and energy. However, the cities have no ability to make rules over fuel efficiency or vehicle choices. So these cities are depending on the State of Minnesota to adopt rules to accelerate greater fuel efficiency with vehicles and to expand the options for electric vehicles in the state.

One of the biggest concerns with the cities we are working with are the air impacts that low-income communities and communities of color are facing. Many of whom live very close to very busy roads and so there is the fine particulates that are causing greater issues with heart disease and asthma. So by accelerating electric vehicle adoption we will be able to help clean up the air
for many of the low-income communities.

    Another thing is many of the cities we are working with are expanding the amount of electric vehicles in their city fleets and are putting in public charging stations and are working to require new developments to have electric vehicle charging spots as well as multiple family buildings. So they are working to increase the EV charging infrastructure to be ready for greater increase of electric vehicles.

    A big benefit for the Minnesota electric grid is that when we have more electric vehicles the cost of maintaining our electric grid and updating our electric grid will be spread across the transportation sector as well as buildings and lighting. So it's going to make our grid more resilient as well as reducing the costs that consumers have for their electricity since transportation will be contributing toward paying for the electric grid.

    Minnesotans deserve greater access to electric vehicles and they will be able to access -- greater access to sedans, crossover, SUVs and light-duty trucks. So we support -- we concur that MPCA has the authority to make this rule to adopt
the California ZEV and LEV Standards and this will help our cities to achieve their climate goals while also reducing air impacts on low-income communities.

Anyway, I'm going to send this into the forum there now.

THE JUDGE: And will your comments include a list of the cities that your organization is working with?

SEAN GOSIEWSKI: Yes, we will list the cities that have attended our workshops over the last three years where they have been working to put their climate goals into the new comprehensive plans. So we will list the cities that are active with our network.

THE JUDGE: Thank you very much for your comment. Erik Hatlestad is our next commenter.

ERIK HATLESTAD: Hello. Can you hear me?

THE JUDGE: I can. Go ahead and state your name and spell your first and last.

ERIK HATLESTAD: Fantastic. My name is Erik, E-r-i-k, Hatlestad, H-a-t-l-e-s-t-a-d. And I'm the Energy Democracy
program director at CURE. We are a rural grassroots organization. At CURE, we spend a lot of time thinking about our energy system. Particularly when it comes to rural electric cooperatives. Rural electrification in the 1930s transformed rural communities and improved the lives of farmers and rural people across Minnesota and the country.

Today, as electric cooperatives take on the transition to an energy system based on clean energy storage and energy efficiency, they need smart, forward-thinking policy to give them the stability they need to plan for the future.

Electric vehicles present a big opportunity for Minnesota's electric cooperatives, and not just in the increased volume of electricity. But also for innovations in distributed energy storage.

Think about this, widespread adoption of electric vehicles would put a battery in every driveway. Cooperatives could use networks of electric vehicles in a coordinated way as a distributed energy resource to help manage their energy load, to improve efficiency and achieve cost savings for their member owners. Co-ops have
already been using this concept for decades with their water heater programs. And electric co-op leaders are already considering how to implement these same principles with electric vehicles.

Adopting the Minnesota Clean Cars rule is needed and reasonable in helping Minnesota's electric cooperatives continue their long history of innovation and providing a vital utility service to rural communities. Thank you very much. That's all for me.

THE JUDGE: Thank you very much.

Amy Koch is our next speaker.

AMY KOCH: Hello, Judge.

THE JUDGE: Hello. State your name and spell your first and last.

AMY KOCH: Certainly. My name is Amy Koch. First name is A-m-y. The last name is K-o-c-h.

So, Judge, thank you for allowing me to speak today. I am a former state senator and senate majority leader. While in the legislature, I served on the transportation and energy committees for almost my entire tenure. And following my time in elective office I severed as the chair of the Minnesota Conservative Energy
Forum which are conservatives and republicans interested in renewables and a balanced energy portfolio and energy innovation.

Throughout my political career, energy innovation has been a personal crusade. During my senate tenure, I voted for the legislation that put Minnesota ahead of the curve on renewable energies. In 2007, I voted for the legislation to give Minnesota 25 percent renewables by 2025. Additionally, I voted to pass the updated Next Generation Energy Act which the MPCA spoke about at the beginning of the presentation. Which required both electric and natural gas utilities to reduce energy sales and spend a minimum percentage of their annual revenues on activities to advance energy efficiencies through SIP.

THE JUDGE: Ms. Koch, I'm going to ask you to slow down just a little bit.

AMY KOCH: Sure.

THE JUDGE: Make sure that the court reporter can get you. I am a fast talker, so I had to learn the hard way. So if you just slow down a little bit I think that will help.

AMY KOCH: Sounds great. I will, Judge. Sorry about that, Susan.
Most importantly, we did this through vigorous debate and a divided government. The new Clean Cars Minnesota rules that are being proposed are a solution that was conceived without looking at the entire problem. Mandating that we put electric vehicles on dealer lots to hope that people buy them is a little bit like putting broccoli in front of a toddler in hopes that he will eat it. Just because it's there doesn't mean the demand is there.

Despite growing momentum towards cleaner cars, which is wonderful, less than 1 percent of vehicles on the nation's roads are electric at this point. Minnesota dealers currently sell about 2000 electric vehicles each year. But under the new California standards dealers would have, as you heard from the auto dealers, have more than 18,000 electric vehicles dropped onto their lots. I'm a firm believer in the market and believe that we will get to a point where 18,000 or more may make sense on our Minnesota lots. But government won't decide that. Consumers will.

I imagine there are several reasons why Minnesotans don't think an electric vehicle is for
them. It might be like my sister, she has eight children and perhaps a Prius isn't the best solution for them to get to church on Sunday mornings. Maybe someone has valid concerns about making it through a Minnesota winter without four-wheel drive. That would be me. Perhaps it would be someone who lives in rural Minnesota where there is no battery charging infrastructure to support these vehicles or limited.

The good news is that the market is shifting on its own. GM just announced recently that it's moving to a fleet of all electric vehicles by 2035. GM backed up its goal by investing heavily in electrification along with Volkswagen and other car manufacturers. There is still much work to be done to lengthen driving ranges, speed up battery charges and invest in that really critical charging infrastructure. But before these technological innovations come forward electric vehicles may still not be an option for many consumers. However, we should accelerate the adoption through financial incentives and rebates to lower the cost of electric cars.

In conclusion, I think we should step back and fully evaluate our goals and how we should
achieve them. Again, I believe we all want to live in a world with less pollutants and greenhouse gases. But a piecemeal approach by individual states will not have the impact that we hope it will have. Car manufacturers will be able to offset any carbon reductions brought through additional electric vehicle placement in the states with the mandate by selling more SUVs and trucks in other states, keeping them in compliance with national average vehicle mileage rules, despite the introduction of more EVs. This is shown to be the case, as carbon cutting progress has come to a halt even though electric vehicles are more popular than ever before.

The more successful route to lower carbon emissions would be to continue to raise mileage standards at the federal level while also allowing technological advances to lower the cost in electric vehicles. Thank you for your time and your consideration.

THE JUDGE: Thank you very much.

Our next speaker is Brian Nowak or Nowak. I'm not sure. Mr. Nowak.

BRIAN NOWAK: It's pronounced Novak.
THE JUDGE: It is Novak. I had, like, a 50 percent chance I thought.

BRIAN NOWAK: You did well.

THE JUDGE: State your full name and spell your first and last for me.

BRIAN NOWAK: It's B-r-i-a-n. And it's N-o-w-a-k.

THE JUDGE: I'm just going to check in with the court reporter. Can you hear Mr. Nowak?

THE COURT REPORTER: (indicating in the affirmative.)

THE JUDGE: You can. Okay. Good. Thank you, Mr. Nowak. You can proceed.

BRIAN NOWAK: I live at 801 Union Street, Northfield, Minnesota. I own a residential design company and I sit on the planning commission in Northfield and am on the board of Minnesota 350, a climate advocacy group. But I'm here speaking as a private citizen. Your Honor, thank you for considering my testimony.

Clean Car Standards are needed and reasonable. We know that Clean Car Standards will provide healthier, cleaner air for all Minnesotans and work to stem climate change. My short
presentation time doesn't allow me to get into the
science of clean air and climate change in depth.
What I will do is talk about what opportunities the
Clean Car Standards provide for communities in
greater Minnesota.

Climate change affects all Minnesotans.
Greater Minnesota may be affected more than other
parts of our state. Our recreation and tourism has
been diminished by climate change. Warmer waters
and temperatures have affected habitat. In
particular, recreational fishing. Reduction of
walleye on Mille Lacs Lake is due to warmer waters
and loss of the fish that they eat.

Farming has been affected by more
erratic weather. Flooding and drought has
increased, as established by the state
climatologists. This has created financial burdens
and loss by state farmers. This rule will work to
significantly diminish the major source of climate
change in our state.

Outstate Minnesotans drive more. They
spend more on fuel and repairs. Clean Car
Standards will help families save money on these
expenses. Studies have found that new car buyers
would save $1600 over the life of an LEV than a
gasoline vehicle. A cost savings well in excess of
the increase of new vehicle upgrades.

If a vehicle is financed, which 86
percent of new car buyers in Minnesota do, the
buyer receives that saving right away. Saving money
and helping the environment is a good thing.

Currently, Minnesotans are restricted
in electrical vehicle choices. They can only
choose 19 out of 43 available models currently
produced in the U.S. Changing the standards would
provide more choices in the market. These choices
are even more limited in greater Minnesota.
Something I experienced recently when I bought a
Chevy Bolt and couldn't buy it locally and had to
go to the Twin Cities to buy that. Not everyone
has the privilege to buy a new car. But creating
more new clean car sales will bring better cars
into the used car supply. Some may not be able to
buy a new EV or new LEV right away. But those
buying a new EV will likely retire a hybrid or a
high-efficiency gas powered, allowing those used
car purchasers to get a clunker off the road. That
happened with my vehicle where my Prius went to a
family member.

Fourteen other states and the District
of Columbia have adopted Clean Car Standards. The full effect of the proposed regulations would occur in 2025. As many people stated today already, we are behind the goals that we set back in 2000 on our Next Generation Energy Act and we don't have the time to wait any longer.

Given the time lag in implementation, we need to adopt the standard without delay. With recent announcements by GM and foreign auto manufacturers, we want to put Minnesota on the best track to take advantage of the sea change in the industry.

Minnesotans need to lead not retard the work on clean air health and lowering and CO2 emissions. Cities in Minnesota have developed climate action plans. In the city, I was involved on the formation of our climate action plan. Rochester is another community in greater Minnesota that has one. Our cities have shown leadership, but we need help from our state government in many areas, the Clean Cars Act being one, to successfully implement the plans that the cities are working on. They can't do it without state help. This rule is needed to support the clean climate and clean air actions in our local
communities.

My first car was a '56 Chevy. My latest car is a 2020 Bolt. I'm hoping it will be my last car and take me through the next 30 years. Thanks for listening to my comments.

THE JUDGE: Thank you. Was that a Bolt with a B as in "boy" or Volt with a V as in "Victor"?

MR. NOWAK: It is a B in "boy."

So it's a completely electric vehicle.

THE JUDGE: Thank you. What we are going to do is take the next two speakers and then we are going to pause for a 10-minute break. So the next speaker is Beth Mercer-Taylor.

BETH MERCER-TAYLOR: Hello. Can you hear me? I have a camera. And if someone could tell me, I could try to turn it on.

THE JUDGE: Someone smarter and more adept than me probably could do that. If you see a camera icon sometimes at the bottom of your screen, it might say "video."

MS. MERCER-TAYLOR: Yeah, that's interesting. I can see you. But that's fine. You can look me up. I'm a former Falcon Heights city councilmember, should folks be interested in my own
little political history. And I work at the University of Minnesota at the Institute on the Environment.

THE JUDGE: I'm going to have you pause. For the court reporter, I need you to state your full name and spell your first and last.

MS. MERCER-TAYLOR: I will. It's Beth, B-e-t-h. Mercer-Taylor, M-e-r-c-e-r - T-a-y-l-o-r.

THE JUDGE: All right.

MS. MERCER-TAYLOR: I'm really going to tell you my story. I am a proud member of the Minnesota Electric Vehicle Owners group. And despite my work in sustainability, you know, I have three kids and thought that a new car wouldn't ever be in reach for me. I'm proud to say that my first new car purchased in Minnesota was a Nissan LEAF back in 2017. Shout out to Kline Nissan for supporting options like that.

I bought that new car after a colleague at the University, Doug Tiffany who is an applied economist, created a little calculator about the lifecycle cost of vehicles. And I became aware that actually the lowest cost -- forget sustainability. I mean, I wouldn't. But the
lowest cost option for me was buying a new car. How exciting. And we had the LEAF and really enjoyed it.

And then COVID struck. And I have family in Ohio and we needed to stop flying there and start driving there. But in the meantime I had come to learn how much I liked not having gasoline on my clothes. How much I liked not maintaining an internal combustion engine vehicle. And we had fallen in love with the electric vehicle.

I have a neighbor who is a pediatrician. She wishes more of the testimony would focus on the benefits for our health to not being exposed to gasoline and its fumes. She has a lot more information about that. But she especially thinks that's important for those of us who are parents with kids who are often exposed to gasoline at a gas pump.

 Anyway, for all of these reasons, just the convenience of charging every night in our house we wanted to continue to have an electric car and also be able to get to Ohio. And, fortunately, White Bear Lake Mitsubishi they have been so wonderful to me at the State Fair and the Eco Experience and selling I think the nation's number
one dealer for Mitsubishi's plug-in hybrid electric
vehicle, that is now what we have. And our family,
three kids, have come to really love the EVs, too.
But you know what, I'm sad and I am testifying here
because I wanted to try a Kia Niro PHEV. I wanted
to try a Hyundai Ioniq car when we were purchasing
our car this summer. We want to buy from a
Minnesota dealer because we want service there and
we want to benefit the community. That's our
values. And I want more choices and I want the
market to work better.

Our son who is 25 and lives in Willmar,
Minnesota, I think he is commenting separately,
David Mercer-Taylor, hopefully, he will be doing
that, he is currently trying to buy a used electric
vehicle or perhaps a plug-in electric. He is
looking at the Chevy Volt. And he's thinking about
buying online or buying out of state. And I'm
telling him, you know, you should support a local
dealer. And he is trying to find a local dealer
near him that would sell him the car he wants. And
he's driving a 2003 and I would really love him to
get something newer with more safety features. And
I just want this market to be better. I want there
to be more used cars for him to buy, more choices
for us the next time we upgrade.

I want there to be healthier options
for families in the urban core. I want the health
benefits. I have asthma. I'm sure we've already
heard about the broader health benefits. I want
that just to accelerate. And I think that as
people have the information about these choices
there will be that acceleration.

And I think that many of the people who
work in the dealers from my understanding and my
time at the Eco Experience would really like there
to be a level playing field between California and
Minnesota where we could get more of the EV
choices. And I think we are ready and we need
government to support our market to move forward.

And, of course, sustainability, I think
that's been really well covered. But I think my
own personal experience with this market is that
sometimes government needs to help provide
structure to a market and help us to have the
information that we need as consumers to see all of
our choices and to kind of believe that our local
dealership community is going to be there with us
to walk this path to these new type of vehicles.

Initially I had the range anxiety. I
don't anymore. You know, it's a transition. It's better when we are all in it together.

THE JUDGE: Thank you very much, Ms. Mercer-Taylor. Our next speaker is Karen Hulstrand. And after Ms. Hulstrand then we are going to take a 10-minute break.

Ms. Hulstrand, you can go ahead and unmute yourself.

KAREN HULSTRAND: Hello.

THE JUDGE: Hello. Go ahead and state your name again and spell your first and last.

KAREN HULSTRAND: My name is Karen, K-a-r-e-n. Hulstrand, H-u-l-s-t-r-a-n-d.

I live in Stillwater, Minnesota. I'm a private citizen. I'm also a family practice doctor. I'm very concerned about climate change and really feel that we owe it to our children and future generations to take action. I am an electric car owner and I definitely support the Clean Car rules. Especially the ZEV rules.

And what I want to do today is share why I think there is a real need for these rules. And it has to do with my experience of buying my Chevrolet Volt. I was very committed when I needed
a new car to, like, I could actually take personal
action that would benefit our future. And I
decided that I wanted to buy an electric car and I
wanted the plug-in hybrid. I would have loved a
fully electric car, but I really couldn't afford
what was on the market or have it work for me.

When I went around to shop locally,
there was very poor selection. I found that the
salespeople were not at all promoting the cars. So
I can see why they might have difficulty selling
their cars. Sometimes there would be one person in
the whole dealership that would be the electric car
person who knew about it and he might be gone or on
lunch. And then I would go on a test drive and I
actually knew more about the car than the
salesperson knew about the car. So it was a
frustrating experience. Now, this was a few years
ago. I'm hoping it's a little bit better. But I
still think that you need to believe in your own
product and you need to promote. And I didn't find
that.

After I looked at cars, I wanted to buy
a Chevrolet Volt. And I decided I needed to buy
used for financial reasons. And there wasn't a
very good selection. I wanted a car that didn't
have very many miles. And I ended up going on the
Internet and finding the car I needed in St. Louis, Mis-
souri. And they actually, the dealer after I
talked with them, they drove the car 600 miles,
an 8-hour drive to my house so that I could test
drive the car and then I could decide if I wanted
to buy it or not. And the car was great, except it
didn't have a rear camera, which supposedly it was
supposed to have, and then we negotiated that they
would pay to put in an aftermarket camera. And
that was a whole -- the whole thing was this huge
hassle to buy this very basic Chevrolet Volt that I
wanted and needed to try to be a concerned citizen
about the future of our planet.

It shouldn't have to be that difficult.

And that's why I definitely promote these ZEV
rules. Like, if you stock them and people can
drive them and find out how great these cars are --
I love my Chevrolet Volt. I have not had any
problem in the winter with it. I have not had any
problem with it at all. I love plugging it in at
night, overnight in my house. And it's great.

I was lucky that I was privileged, able
to use the Internet, able to kind of get what I
wanted and need and I had the time to get what I
wanted and needed. If I had to buy a car in two days, I never would have been able to get that car. And I want all drivers to have the ability to try these cars, to see how great they are, to have salespeople who believe in their product and then to be able to own such a great car. I want my next car to be fully electric. I want there to be more charging stations and I want to be able to try those 40 different cars and find the one that's right for me if it's on the lot here.

So I really think that we need these motivations to get the cars on the lot so that people can find out how great they are and feel good about what they are driving for their future of their children. So, thank you.

THE JUDGE: Thank you very much. All right. So we are going to take our break. The next five speakers who are coming up after the break, Richard Blake, Barbara Draper, Stuart Knappmiller, Christopher Waits and Charles Stephens, you are up next after the break. And I'm going to ask that the Agency staff can go ahead and post the document with the queue in it so that folks can see if you are not in that group of five that's coming up next can sort of see where you are
or what's coming up in the future.

Let me ask Agency staff, does that reflect everyone who is in the queue right now?

MS. WENGER: Very close.

THE JUDGE: So this gives you a general sense about where you are in the queue. So we are going to take a 10-minute break and return back at 5:43. Thank you.

(At this time a brief recess was taken from 5:34 p.m. until 5:43 p.m.)

THE JUDGE: Back on the record.

There was a note in the Q and A asking how late is the hearing going to go. I am intending to run the hearing through 8:00 p.m. or until all of the commenters who request to be heard have been heard. So if we get through the queue of commenters and I have addressed everyone who is on the line and wants to be heard, we will conclude the hearing then, or we will conclude the hearing by 8:00. And the reason we do that is these are -- a five-hour hearing is actually a pretty long-haul hearing to have for everyone involved and for the court reporter, and so we want to make sure that we get sort of the best hearing that we can. And everyone can file written comments as well. So with the two
hearings that we run until 8:00 we will have done 10 hours of public hearing. Which is actually a fairly significant amount of rulemaking.

So our next speaker, Richard Blake, I see that you have your camera up and ready. Mr. Blake, go ahead and introduce yourself by stating your name, spelling your first and last.

RICHARD BLAKE: Thank you, Your Honor. My name is Richard Blake. R-i-c-h-a-r-d B-l-a-k-e. I'm a city counselor in Grand Rapids and I am also a commissioner on the Grand Rapids Public Utilities Commission. I am a Minnesota EV owner and I support the Clean Cars Minnesota. I have driven a plug-in hybrid electric car for just under six years and over 110,000 miles. When driving around in my hometown of Grand Rapids I do not use gasoline.

A couple who are both friends of mine who live in Minneapolis recently converted from a plug-in hybrid to a total electric vehicle. However, the two vehicles that they were most interested in weren't available in Minnesota. So they ended up settling for a vehicle that was totally electric but not quite what they wanted. Other prospective buyers who might not be quite so
motivated might give up on an EV and purchase another internal combustion engine that have the features that they desire. So I'm interested in seeing more electric vehicles for sale in Minnesota.

We need to take steps to address climate change as quickly as possible. One way to do that is to convert our transportation system's reliance on millions of internal combustion engines to reliance on electric vehicles that can be charged by our electric grid.

Our grid is becoming greener with increasing amounts of electricity generated using renewable resources. This conversion to reliance on our electrical grid will also result in emissions that are generated being easier to control because they are generated at centralized locations rather than from millions of tailpipes. So our air would be -- the quality of our air that we breathe would be better. Also, a large portion of the charging can be done and would be done at home and at night when our grid is underutilized, increasing the efficiency of our electric generating system.

Clean Cars Minnesota would give the
6 in 10 prospective car buyers in Minnesota who are at least interested in electric vehicles the opportunity to actually see and test drive a much wider variety of makes and models with Clean Car Standards.

It would also make it prudent for dealerships to train their sales people on the advantages of electric vehicles. Something most salespeople are unfamiliar with so they don't promote them. The more knowledge and familiarity we have with electric vehicles the quicker this necessary conversion will take place.

So please move forward with adopting the Clean Cars Minnesota rule. Thank you.

THE JUDGE: Thank you very much.

I want to remind folks that unless you are actively speaking you should keep your -- and you have been called on you should keep your device on mute.

So the next speaker, Barbara Draper, welcome. Let me make sure -- you can go ahead and unmute yourself. I've got you. And then if you can go ahead and state your name, spell your first and last.

BARBARA DRAPER: My name is Barbara Draper. B-a-r-b-a-r-a. Draper,
D-r-a-p-e-r. I'm a mother and grandmother and believe climate change is real. I strongly support the new Clean Cars rules and believe they are reasonable and critically needed. The State of Minnesota is already suffering with climate change. This isn't some future event or some remote country's event.

Look at a map in Minnesota of the spread of Lyme disease. Take a little thing like that. Fifteen years ago there was hardly any. Now it's in almost every county in the state, as ticks have gone crazy in this warm weather. Crops are affected. There's floods and erratic weather and droughts in Minnesota now. There's less winter. Winter tourism dollars are affected. The economy is hurt by that. Poor air quality impacts our health and costs us all health dollars. And, of course, it affects the poor even more because we shove them into the worst air quality areas of the cities.

Oil pipelines run through all of our 10,000 lakes that we are so proud of that we put on our license plates, but we run oil pipelines through them with no particular regard because we've got to fuel our cars.
Science has shown greenhouse gas emissions cause climate change in Minnesota. In 2007 in a bipartisan act they passed the Next Generation Energy Act. We missed the 2015 goals of 15 percent reduction. We are going to miss the 30 percent reduction goals for 2025. So either we were just kidding when we passed the Act to reduce the greenhouse gas emissions or we were serious. Either we were just kidding when we asked the MPCA to control pollution or we weren't.

I saw a survey that showed 66 percent of people were interested in EVs and 30 percent are considering purchasing one within two years. And I saw another survey that showed .3 percent, that's .3 percent of cars on lots in greater Minnesota dealerships were EVs and less than 1 percent were EVs in Twin City car dealerships. And so we are left with these choices. One choice is business as usual. We go on the way we have. Car dealers are happy. They don't have to make change quite so quickly. Although, of course they are going to have to make the change one of these days. But they are happy today and we go on as business as usual and we don't meet our greenhouse gas reduction goals or we make changes.
If we believe climate change is real and if we believe science that GHGs contribute to it and if we care about the future livability of this planet, then we don't wait. We make the change now and we create a better world for my granddaughters and a more livable earth for all our children. The rule is reasonable and critically needed. Thank you.

THE JUDGE: Thank you very much. Our next speaker is Stuart Knappmiller. Hello, Mr. Knappmiller. Go ahead and state your name and spell your first and last. And let me know if I pronounced it right.

STUART KNAPPMILLER: I am Stuart Knappmiller. And that is spelled S-t-u-a-r-t K-n-a-p-p-m-i-l-l-e-r.

Thank you for this opportunity to support Minnesota as a Clean Cars state. I live about a mile north of I-94 and a mile east of 35E and two blocks north of Maryland Avenue, which is a Ramsey County street.

When I was growing up on a farm in southwest Wisconsin, we didn't know what damage the sun could do to our skin. Dr. Moffitt's twins would come back from spring break with Florida
tans. We were jealous. No one said you are going
to get skin cancer. Our father was treated for
skin cancer in Madison, Wisconsin by a Dr. Mohs.
That's M-o-h-s. About five years ago I had my
first MOHS, that's M-O-H-S, surgery for a squamous
and basal cell carcinoma. I will be having my
fourth surgery two weeks from today. Now we know
about skin cancer. I don't leave our house without
my hat, without my sunscreen on (indicating). It's
a different world that we live in.

Today, we know what our transportation
sector is doing to our environment in Minnesota and
our world. We named this Global Warming. Then we
called it Climate Change. Perhaps the best name
I've seen is just Chaos. That's with a capital C.
Just as I did not want others to need skin removed
because of too much exposure to our sun, I don't
want myself, our neighbors and future generations
to breathe polluted air or live under the Chaos we
have been learning about since our first Earth Day.

Thank you.

THE JUDGE: Thank you. And our
next speaker is Christopher Waits. Go ahead and
unmute yourself and then state and spell your first
and last names.
CHRIS WAITS: Thank you very much.

My name is Chris Waits. That's C-h-r-i-s W-a-i-t-s.

My comments pertain to the need for and reasonableness of the rules. I fully support the proposed rules adopting vehicle greenhouse gas emission standards Clean Cars Minnesota. I support it because it does not put any burdens or restrictions on regular Minnesotans who currently own or want to buy gas powered cars or trucks. This is a much needed step toward a cleaner future for all Minnesotans. It incentivizes dealers to make more electric vehicle options available in the state and helps reduce air pollution so we can enjoy camping, fishing, skiing and hunting in our state.

Electric vehicles work great in this state. I've owned an electric vehicle here in Minnesota for over four years and my all-wheel drive electric vehicle routinely gets me to my shift work job through the cold and snow before the plows are out when many of my coworkers can't make it in or they can't find a place to plug in their diesel block heaters in our negative 30 degree nightshifts.
I believe in a free market society. But dealerships and auto manufacturers have proven that they will maintain the status quo unless incentivized to change. We need to provide a clear incentive for dealers to become educated and to educate the public when shopping for a new car for the good of the state and for the good of my children.

One of my favorite things about owning an electric vehicle is that as time goes by my car actually gets cleaner as the energy sources for the grid move to cleaner sources. This point is essential for why we need to act now to make it easier for Minnesotans to have access to electric vehicles for a cleaner Minnesota in the future.

Minnesota is rich in our natural resources and our love of the outdoors. We should also be leaders in this environmental initiative to keep our state beautiful for generations to come.

Thank you very much for your time and your attention.

THE JUDGE: Thank you. Our next speaker is Charles Stephens.

CHARLES STEPHENS: Hello. My name is Charles Stephens. C-h-a-r-l-e-s
S-t-e-p-h-e-n-s. I am speaking relative to the zero-emission vehicle part of the rule especially.

I am a primary care physician out here at our really nice Minneapolis VA. My wife and I lived up here for about seven years after being outstate in New Ulm for about 20.

We've been driving electric vehicles for over four years. Have logged about 50,000 electric miles. And for us the saying that once you drive electric you will never want to go back has been true. We find that it's so easy. You plug the car in at night and in the morning we warm it up in the garage without worrying about being poisoned by exhaust fumes.

We are really getting spoiled by electric cars because they are smooth, they are quiet, they are reliable. I really like electric cars for environmental reasons, but I'm also a technology geek and they are really interesting in that way. I also appreciate that they have so few moving parts compared to gasoline powered cars.

That they are easy to take care of. The need for routine maintenance is nearly nonexistent, like a number of people have said already.

We drive our car to the store and to
work. We put the car seat in the back and bring our little grandson around places. We put a bike rack on the back so we can carry our bicycles to wherever we want to go riding on trails or wherever. We load it up fully and drive it up north to the lake. Last year we took a Valentine's Day trip to Milwaukee through zero degree weather and we were toasty and warm the whole way and it was just fine.

Our car is all-wheel drive, which means I don't worry about getting stuck in the wintertime. It's a real car and it just happens to be electric. And we bought this one in Minnesota. When we were looking for this car, I was sorely tempted to buy a car in Maryland and have it shipped out here because the model I wanted was not available here. Ended up deciding to get one that was available here just because it was less hassle. But some other people talked about that already.

That just makes me think that, you know, 20 years ago we lived in New Ulm and I remember it was hard for us to find a dealer in Minnesota to sell us a hybrid car then. And that's changed a lot, so that people in most places in Minnesota have that choice now. But as all the
traditional automakers in the U.S. and over the
world are starting to transition to electric
vehicles, it's hard to find dealers that have more
than a smattering of EVs here in Minnesota. To
sell something, you've got to give people access.
And something big and expensive like a car, they
have got to be able to see it and touch it and
literally kick the tires. As we've heard a little
bit, the states that have adopted a Clean Cars rule
are already seeing this. Then when EVs are
available people buy them.

And I look at the fearmongering that
the Minnesota Auto Dealers Association is promoting
about the terrible things that are going to happen
when this rule goes into effect. It reminds me of
the claims made by the bar and restaurant
associations a few years ago when there was a
smoking ban going to be considered here. As it
turns out, not allowing smoking does not seem to
have kept people from going out to bars to drink
and have a good time. And the air quality has
improved for everybody, too. Indoor air quality.

In my mind, this Minnesota Clean Cars
rule will be a blessing to the auto dealers
throughout the state because it gives them
increased access to EVs and gives them a chance to get ready for the not too distant future when not having EVs available on their lots will be an economic disaster for them. This rule pressures the manufacturers and not the dealers. But it's the dealers who are going to really benefit from it and the customers, who are going to have the choice to buy what they like best. That's what I have to say. Thank you.

THE JUDGE: Thank you very much.

Our next speaker, Dave Jungst.

DAVID JUNGST: Hello.

THE JUDGE: Go ahead. State your name and spell your first and last, please.

DAVID JUNGST: Dave Jungst. My first name is David. Dave or David. D-a-v-i-d. And my last name is like Jung with s-t on the end. So J-u-n-g-s-t.

I want to thank you for the opportunity to speak in favor of the Clean Cars Minnesota rule. I live in outstate Minnesota in Stevens county in the western part of the state which is a rural area. On a clear day I can probably see South Dakota.

In March of 2020, almost a year ago, my
wife and I decided to buy an electric vehicle. It's a Chevy Bolt that we bought, our first electric vehicle, and we really like it. We wanted to take advantage of the price markdowns that Chevy was offering on the Bolt at the time as well as the last of the federal tax credit for electric vehicles that was available then.

Our local Chevy dealer didn't have any Bolts on hand, but a dealership in Glenwood about 30 miles away had one on order and had one on hand to test drive. So we test drove that one and we decided to buy one, a slightly different model than they had on hand to test drive. But we ended up buying the one that they had on order the day it arrived because it was the right package with the accessories and so on that we wanted. And so we went in and bought it the day that it arrived from the factory in Michigan.

The biggest reason that drove our choice to buy an electric vehicle is that several years ago in the fall of 2017 we installed a 10 kilowatt ground-mounted solar array at our home and it produces on average annually about three or four times the amount of electricity that our home uses. In other words, it produces enough for our
house and two or three of our neighbor's homes. We
don't have a battery storage system or anything, so
the excess electricity that we produce from our
solar panels goes into our local electric grid. So
we reasoned why not use some of this clean energy
that we are producing for our own transportation
needs.

We've really enjoined driving our Bolt.
It's quiet. And I should say that's a Bolt with a
B. It's a fully electric car. A plug-in electric
vehicle. It's quiet. It's smooth. It's fun and
easy to drive. And what I like the most is that
it's zero tailpipe emissions and not spewing
pollution everywhere we go. As well as being an
economical and very low-maintenance vehicle. The
Bolt came with a 110-volt charger and plugs into a
regular wall outlet. But that's really slow. It
would take all weekend for a volt charge. So I
installed a level 2 or a 220-volt outlet myself in
our garage. Which will easily charge the Bolt
overnight. So we basically do all of our refueling
at home.

Another reason I support this Clean
Cars rule is that I own and manage some of our own
farmland and I own and operate a sawmill. So I
need and use a pickup truck a lot to haul and pull various loads. So when I replace my current diesel truck in the future, I would like to have a good local selection of electric trucks available to choose from. I would like to support our local businesses and I don't want to have to go to another state to buy that next truck just because they've implemented a Clean Cars initiative and Minnesota hasn't.

Thank you to all of you who put together this hearing to allow myself and all the other Minnesota citizens to express our views on this matter. Thank you and have a good evening.

THE JUDGE: Thank you very much.

Lee Schaefer, you are our next commenter. Welcome. I don't see your camera yet, but I can hear you. Go ahead and get started by stating and spelling your first and last name.


THE JUDGE: Go ahead, you can proceed with your comment.

LEE SCHAEFER: All right. I am very much in support of the standards for clean energy. I work on the board -- or work with
Minnesota Interfaith Power & Light as well as Minnesota 350.

THE JUDGE: I need you to speak up just a little bit and I need you to repeat that. I heard the Minnesota 350. But if you could just go back to right before that.

LEE SCHAEFER: No problem. First of all, thank you, Your Honor, for having me this afternoon. I appreciate the opportunity to speak on behalf of Minnesota clean energy. I work with Minnesota Interfaith Power & Light as well as Minnesota 350.

THE JUDGE: Let me pause there and make sure at that volume level -- I'm going to ask the court reporter if that's a volume level that's working for you to be able to hear Mr. Schaefer?

THE COURT REPORTER: It's okay. But maybe a little bit more, please.

THE JUDGE: Mr. Schaefer, can you project? Can you speak up a bit? Because I want to make sure we get your comments down.

LEE SCHAEFER: Thank you. I can. I'm an old preacher, so I should be able to.

THE JUDGE: Okay. You keep going. And then if we need clarification, we will jump in.
Okay?

LEE SCHAEFER: That's fine. In any case, recently I installed eight solar panels and I'm going to install probably eight more solar panels along with a setting so I can go ahead and charge an EV vehicle. I plan on buying one ASAP.

My problem has been, as others have pointed out, hard to find. And that's one of my biggest frustrations is trying to locate a vehicle that will suit my needs. I'm looking probably at a Chevy Bolt, B-o-l-t.

To me, what we have been discussing makes so much sense. Moving forward as we look toward the future, it's obvious we are going to have to move toward a fossil-free future. And this is one great step in that direction. And I'm thrilled that you are looking, the Minnesota Pollution Agency is looking at doing this. It makes all kinds of sense to move us from where we are to where we need to be. And I just want to just reiterate how pleased I am that you are moving in this direction. You have my complete and full support and I hope that you will go ahead and institute this new legislation to help us become fossil free, or at least in the next 20 years move
in that direction ASAP.

Thank you very much for your time and that's all I've got to say. Thank you.

THE JUDGE: Thank you very much.

The next speaker is Stacy Miller.

STACY MILLER: Thank you, Your Honor. I'm Stacy Miller, S-t-a-c-y M-i-l-l-e-r, of Eagan, Minnesota. And I would like to thank the Office of Administrative Hearings for holding this public comment opportunity, but wonder if I could make a process related question before I begin my comments?

THE JUDGE: Yes.

STACY MILLER: So I'm here representing myself this evening, but I have professional associations with two organizations that may be impacted by the Clean Cars Minnesota initiative and I just wanted to know if I should disclose those affiliations even if I'm not speaking on behalf of them?

THE JUDGE: So I can't give you guidance on what your ethical obligations would be in connection with those organizations. If the work that you are doing with those organizations informs your perspective, if that's part of why you
are speaking, then, you know, it's okay to note that so long as I think as you say that you -- in terms of my needs it's okay for you to note that and then make clear that you are speaking on your own behalf. However those organizations would look at that would be something you would have to weigh based on your own relationship with them and the rules that they have.

STACY MILLER: Okay. Thank you, Your Honor. So I think I will just offer disclosure that I work for the City of Minneapolis in the sustainability division. And I am also on the board of the Dakota Electric Association, an electric cooperative. So these positions have informed -- these positions with these organizations have informed my opinion, but I am not speaking for them. I don't have authorization to speak for them. I don't know what positions they take. So, thank you.

I am pleased to support MPCA's proposed Clean Cars Minnesota initiative. And I just want to note when greenhouse gas pollution from transportation surpassed the emissions from the electric power sector in Minnesota a few years ago it really caught a lot of Minnesotans by surprise.
Fourteen years ago when Governor Pawlenty signed the Next Generation Act of 2007 into law with broad support, there was recognition that climate change presents a real risk to people worldwide, including people here in Minnesota. And that there was and remains broad agreement among Minnesotans I believe who are concerned about climate change and that our state should do our part to act on the science-based greenhouse gas reduction goals established under the Next Generation Energy Act. But, unfortunately, Minnesota did not meet our 2015 target for 15 percent greenhouse gas reductions and we're not on pace to meet our future goals either.

MPCA has conducted extensive analysis the years leading up to this initiative and the studies that they have published demonstrate that the Clean Cars Minnesota initiative is not only good for the climate but also good for our health, particularly in communities that are most impacted by tailpipe pollution where vehicles expose people to harmful air pollutants throughout our state. My feeling is that it's not only in the public interest, but it's the responsibility of MPCA to take this action to address excess greenhouse gas
pollution. I appreciate MPCA's thoughtfulness in undertaking a transparent rulemaking process with the intent to join at least 14 other states in adopting Clean Car Standards.

The proposed regulations and initiatives, incentives aimed at reducing pollution will give consumers more choices for low and zero-emission vehicles over time. Adopting the Clean Cars Minnesota Standards opens the door for cleaner more efficient vehicle options while not forcing drivers into cars that won't work for their lifestyles. Instead, low-emission and zero-emission cars can be integrated into our existing statewide fleet over time without forcing us to retire vehicles earlier than planned.

There are other benefits of EVs that add value beyond climate and health, including the ability to manage electric charging loads such that they can put downward pressure on utility costs for everyone, as documented in some recent studies.

The auto industry is innovative and accustomed to heavy regulation. I'm confident that the industry is capable of complying, particularly given our experience with other LEV and ZEV states.

I would also just like to quickly share
that I bought a used 2013 Nissan all-electric LEAF
two years ago and have experienced driving it
year-round. My 8-year-old EV performs in a
predictable, reliable way with low maintenance and
high affordability.

In summary, I believe the MPCA not only
has the statutory authority but the responsibility
to act to reduce dangerous greenhouse gas pollution
in order to protect Minnesotan's air, water and
health. I appreciate their taking action to
protect us. Because each premature death
associated with unnecessary climate and air
pollution is one too many. This concludes my
remarks. Thank you for your consideration, Your
Honor.

THE JUDGE: Thank you very much.
Our next speaker Michael Dorsey.

MS. WENGER: Your Honor, I
apologize, I'm not able to make him a panelist. I
can unmute him and he will be able to do audio
testimony.

THE JUDGE: All right. That
sounds good.

MICHAEL DORSEY: Your Honor, can
you hear me?
THE JUDGE: I can hear you. Go ahead, state your name, spell your first and last, please.

MICHAEL DORSEY: Sure. My name is Michael Dorsey. That's M-i-c-h-a-e-l D-o-r-s-e-y. I'm a renewable energy investor, a fellow of the University of Vermont Gund Institute that focuses on ecological economics and a Great Lakes state resident, albeit, in Michigan.

I am not here today to endorse or reject the Clean Cars Minnesota rule. I believe I'm the only one so far in this space orbiting fully above the fray, as it were. I'm here in my individual capacity to advise you, Your Honor, on the best path to take going forward.

To address the risk of climate change, electric vehicles certainly have a role to play. We must use all the tools in our arsenal to reduce emissions. We must also acknowledge when our tools have limitations and the consequences as a result of prematurely and hastily erecting enforcement policies.

At the moment, Governor Walz and the MPCA are advancing a rule that would require Minnesotans' vehicles to completely conform to the
emission standards established by California regulators. Laudably, Governor Walz wants Minnesota to take a leading role in addressing climate change. And electric vehicles can certainly help limit emissions from the transportation sector.

While laudable, getting more electric vehicles on the roads of Minnesota faces serious hurdles and complex realities. Minnesota's leaders must face first and you, Your Honor, must consider when you make your ruling. Failing to do so will have catastrophic implications for Minnesotans, for all of us in the Great Lakes region, as well as far beyond.

For starters, the infrastructure for electric vehicles simply doesn't exist. And, Your Honor, you must weigh how that demands modification to the Clean Cars rule.

California, ground zero for electric vehicles certainly, has lead the nation in the build-out of public charging stations. But many states have lagged behind. While we heard yesterday that Minnesota is similar in size and climate to Norway and other Nordic countries, the fact is Minnesota is no Norway.
A recent study reveals that Minnesota has a paltry 776 charging stations statewide. Your Honor, you cannot decide in favor of a Clean Cars rule that lacks a plan for the dramatic increase in the installation of new public, private and workplace charging stations. If you do, you place Minnesotans, especially farmers and other rural residents in harm’s way as they struggle to access the paltry charging infrastructure needed to use electric vehicles in a practical way.

Additionally, economic slowdown as a result of COVID-19 has significantly disrupted the auto industries as well as stagnating car sales and especially EV sales. Even prior to the pandemic EV sales in the U.S. were already slowing, with annual growth decreasing 80 percent year on year from '18 to '19 from a recent McKinsey report. According to just the Minnesota Automobile Dealer Association the state EV sales have never exceeded 1.5 percent, with Minnesota dealers selling merely a couple thousand electric vehicles annually.

One of the biggest reasons is owning electric vehicles is that they are not cheap. Battery-powered vehicles cost an average as some have stated $19,000 or more. Something that
experts like MPCA's Amanda Jarrett Smith have recognized during these proceedings today and yesterday.

Another upfront cost to consider is at-home charging. About two-thirds of electric vehicle owners said that they wouldn't have bought EVs unless they had the ability to charge at home.

Your Honor, you should not decide in favor of a Clean Cars rule that lacks a coherent and fair plan for providing adequate resources for low-income and minority drivers to access EV technology. If you do so, you would be triply sanctioning environmental energy and transport racism. Do you, Your Honor, want to go on record for endorsing such folly?

Your Honor, if you allow this rule to pass as is, as is, automakers could be forced to ship more zero-emission vehicles to Minnesota regardless of actual demand.

There are also realities on the environmental front as well when it comes to the contributions from transitioning personal EVs will actually have on climate change. While the EV itself produces no greenhouse gases and has tremendous upsides in terms of air pollution, the
electricity they run on and the energy used to manufacture it, particular the batteries, are still produced and are reliant on fossil fuels currently. This is exactly why today we see increased emissions at Tesla's corporation's -- their greenhouse gas emissions are rising. Carbon-free transportation requires a carbon-free grid. And that's not in sight with this myopic ruling.

Instead of trying to enforce consumer behavior, you, Your Honor, as well as Governor Walz should allow electric vehicles to compete on their own right, recognizing the significant limitations that exist to electric vehicles in rural Minnesota in particular and the access issues that low-income and minority drivers face.

I think we can all recognize, by way of conclusion, the future importance of not just electrification, but also EVs. With the Biden administration already announcing it will tighten both emissions and fuel economy standards, it might be wise for you to wait until the administration acts more aggressively before rushing ahead with this ill-thought-out ruling. This path gives Minnesota's electric leaders to take a measured and thoughtful approach to the future of its vehicle
market.

Your Honor, I would urge you to consider these factors in your ruling. Thank you for your time.

THE JUDGE: Thank you. Our next speaker, Tim Conners.

TIM CONNERS: Good day. My name is Tim, T-i-m, Conners, C-o-n-n-e-r-s.

THE JUDGE: Thank you.

TIM CONNERS: And I'm not sure whether my camera is working. Is it?

THE JUDGE: So I'm looking at some bookcases. I don't know what you are hoping to show. There we go. Now I see you. Thank you very much.

TIM CONNERS: There we go. All right. Well, I want to thank you also, Your Honor, for this opportunity to speak. I would also like to acknowledge your patience in listening to what has become a lot of repetition in this hearing. My apologies for additional repetition.

I would like to comment that the last testimony was far from stepping above the fray. I will leave it at that and address some of less than up-and-up comments in whatever I submit in written
form.

My background includes advanced degrees in engineering and business and a work career that included a focus on changes and innovations that affect business.

I am an owner of a plug-in hybrid that I purchased in 2018. It has served me well and has been a big contributor to my family's contribution to carbon emission reductions.

I'm going to address the need and the reasonableness. The need, my kids, my grandkids need steps to limit carbon emissions. Our society needs to move away from fossil fuels. This need is driven by health issues suffered. It is also driven by the environmental trauma that exists, the fires on the coasts, the floods throughout the country, the weather aberrations like those experienced in Texas this past week. The need exists. In fact, these dramatic events will grow in severity and cost moving forward, costing all of society more than the cost of dealing with climate change. These costs represent another need to mitigate climate change effects ASAP. More EVs address climate change.

Shifting to reasonableness. The
trouble that I had and other Minnesotans have had and my neighbors still have in trying to purchase electric vehicles is unreasonable. The steps that address consumer access are reasonable and appropriate.

I heard testimony that are variations on the theme of let the market move us ahead. Unfortunately, the preponderance of the testimony today and yesterday and my personal experience has clarified the more compelling issue. The issue is not a lack of demand. It is a lack of access. This lack of access is unreasonable. Electric cars and like vehicles are a necessary step to mitigating the effects of climate change. It is reasonable and appropriate to make EVs more accessible to Minnesota citizens. After all, these are the citizens that are acting in the best interest of our children and grandchildren. There is an existential need for EVs and it is reasonable to provide access to EVs in Minnesota. And I thank you for this moment. Have a wonderful day.

THE JUDGE: Thank you very much.

Our next speaker, David Mercer-Taylor.

MS. WENGER: Your Honor, I'm having the same issue with Mr. Mercer-Taylor. I
can unmute him.

DAVID MERCER-TAYLOR: Can you hear me?

THE JUDGE: I can. Go ahead and state your name and spell your first and last, please.

DAVID MERCER-TAYLOR: So I'm David Mercer-Taylor. That's D-a-v-i-d M-e-r-c-e-r-T-a-y-l-o-r. I'm the son of Beth Mercer-Taylor who spoke earlier. I didn't know she was going to be talking. So, hi, mom.

Anyway, I'm calling in from Willmar, Minnesota, out in the sort of greater area of Minnesota outside the Twin Cities. And I find it interesting some of the comments that were recently made that there isn't a demand for EVs out here. I'm actively on the market for one right now. And as far as I can tell there are zero for sale within 150 miles of me from a dealer. Now, that's just from my own research. So perhaps someone could go online and find some site that somebody is selling them that I just didn't find. But as a consumer in my own research I haven't found that. And I find this narrative that this is a demand side issue questionable. I feel that it would be difficult to
make that argument in good faith given the data that's available now.

    And I don't want to respond to any comments that have been made specifically. But, you know, I work as a software developer now. I went to school for economics. I think about money a lot and I think about consumer behavior a lot. And I've done a lot of math about this and I can tell you that not just for myself but for many Minnesotans the lifetime cost of an electric or a plug-in electric vehicle is far lower than it is a traditionally fuel vehicle. And we know that consumers will try to find the best value for their money. There just objectively is a demand side of upward force on this market and I just wish the supply were there. Because this is clearly a supply side driven issue.

    Anyway, all my other points, obviously scientifically this is necessary, but that's already been stated. I don't want to already repeat what everyone else has said. I just want to thank you for your patience again. I realize this is a lot.

    THE JUDGE: Thank you very much.

    Our next commenter, Charles Steffel.
MS. WENGER: Your Honor,

unfortunately, same issue with him. I will unmute him now.

THE JUDGE: So we had Mr. Steffel next. Has he been unmuted?

CHARLES STEFFEL: Yes, I think I am. My name is Charles, C-h-a-r-l-e-s. Middle initial R. Last name is spelled S like Sierra, T like tango, E like echo, F like foxtrot, F like foxtrot, E like echo, and L like Lima.

THE JUDGE: Thank you.

CHARLES STEFFEL: I am not a military person. I am a retired engineer, professional engineer and a patent attorney. I am well aware of the consequences of air pollution having grown up in Cleveland, Ohio where the blast furnaces, refineries, cement plants and sulfur dioxide were a part of my life until the rest of my life has been spent up in Minnesota.

As a result, I have some asthma issues as my daughter does. And I now have to wear an N95 mask to go out walking because of the smoke and particulates. It's been 15 years before the pandemic that I've had to do this.

And I see that the real outcome of the
environmental damage of vehicle emissions is approximately 2,000 to 4,000 premature deaths and it is something I can't forget. And I don't want other people to forget it.

And we can go on to the market forces at play here. You know, that person who couldn't sell their Chrysler EV could have put it on CarMax and it would have been sold overnight. There is a matter of the need to publicize and make these vehicles available.

I can say my first car was a Ford Mustang in graduate school and I could see the floor and the snow and there was no heater in it because there was rust through the floorboards. I had clear floor mats. I think I could likely get a newer used Ford Mustang if they were up here in available quantities. So I'm looking for a used car and we need more new cars so that we can get into the used car market.

I'm retired and can't effectively go out and buy a new car. I just don't want to use up my retirement savings. But I will put money into a level 2 charger in the garage which my 100-year-old garage needs to be replaced anyhow. And my current Honda is like most cars, almost old enough to
drink. It's a 2001. And that is the tailpipe -- actually, it's a graphical tale of the life of vehicles. There are going to be a lot of cars that won't be taken out of service because they can just keep running until the price of gasoline is accurately reflecting the environmental damage that people will still keep using cars.

The petroleum business is taking advantage of the common damage that's done that they don't pay for. This pollution that's causing lung problems, the benzene which is a carcinogen which is in all the gasolines, we can't get around that.

I want to go back and say I do fully support the LEV and ZEV Standards. I've given you personal reasons for it. The economic reasons are pretty obvious. Our state is going to be building out an array of charging stations that will work across the whole state. Currently we just have a corridor that goes up to North Dakota, of all places. But we will make it work.

I am also a member of MN350 and Sierra Club, and their efforts to go forward with changing to a carbon-free economy are well appreciated. And I thank you, board members -- oh, and the
administrative law part of me reminds me that I'm very thankful that we have regulations that are promulgated with hearings where people get inputs. I do not want to see this issue taken up by a political legislature. Taking away the rulemaking process is something that our former president attempted to do. And I don't think we can do that in Minnesota. Keep making rules the way you are. I appreciate everyone involved. Thanks so much.

THE JUDGE: Our next speaker, Clint Faust.

CLINT FAUST: Hi there.

THE JUDGE: Hello.

CLINT FAUST: My name is Clint Faust. I'm sorry I turned on my video too early and messed other people up.

Anyway, my name is Clint Faust. C-l-i-n-t. Short for Clinton, with an o-n at the end as well. And then Faust, F-a-u-s-t. Thank you, ma'am for the opportunity to speak.

I am a Plymouth, Minnesota resident and have been for 26 years. I'm 53 years old. I'm a financial advisor and CFP where I help people make personal financial decisions for my profession.

I support the expansion and increased
use of LEV and ZEV cars in Minnesota and the MPCA rulemaking change for Clean Cars Minnesota.

In January of 2015, I purchased a used 2012 Nissan LEAF, all electric from the Nissan dealership now called Walser Nissan of Wayzata, Plymouth for approximately $7,950 plus tax and licensing. The range for that vehicle car, for that electric car was then about 55 to 60 miles on a fully charged battery. And that has come down a little since then so now it's probably about 45 to 50 miles during the summer and probably only about 30 to 40 miles in the coldest days of January.

It has worked wonderfully for myself as a commuter car. I drive 6.7 miles each way to work. I may go out for lunch within a few miles or even over to St. Louis Park for the Costco there before heading home and to recharge my car overnight. I have never been left stranded in my electric car having run out of electric charge. It has never happened to me yet in six years of driving it, with a pretty modest range I have to say. So probably 95 percent of my trips over the course of the past six years of owning my Nissan LEAF have been to work, to the grocery store, to church, to the hardware store, all of which I can
do with my LEAF within its summer or winter driving range.

On the other occasions that I need to go to St. Paul or North Dakota or down to see the outlaws in Iowa, we also have a Toyota Camry hybrid in the household that burns gasoline. I look forward to getting another electric vehicle at some point, either to replace my Nissan LEAF if it wears out or perhaps replace my hybrid Toyota Camry. My goals are to keep my cost of driving low and to keep as low as possible the carbon footprint of my transportation wants and needs.

I spend 9 cents per kilowatt hour to charge my LEAF which allows me to drive approximately 4.5 miles per kilowatt hour or about 2 cents per mile for the energy required to go the distance of one mile. My gasoline using minivan used to cost me about 100 to $125 a month. And now my electric car costs me about 6 to $10 a month. This is not completely accurate or fair, because we do use our Toyota ICE vehicle exclusively now for longer trips. So that fuel cost is a little higher than it used to be.

And while I am a cost-saving cheapskate, the real reason that driving an EV is a
priority for me is that I believe in climate change and our need to do what we can to reduce carbon emissions and that the cost alternative for doing nothing is likely very, very expensive. Far more expensive if we do nothing to combat climate change. If anything, we should be going further and doing more to increase the use and availability of electric vehicles eventually at higher and lower cost levels and Clean Cars in Minnesota and across the U.S. and I relish the opportunity for Minnesota and the United States to charge back into our leadership role in the world.

I affirm the proposed measures and wish that they could go further. I would also like to say that I did not appreciate the tone or the demeanor that a previous speaker spoke with you regarding how dare you, you know, rule or judge on this issue in such a way as to this or that or the other thing. Especially his point on the infrastructure build-out. I thought that was ridiculous. Because that is something that is going to happen as demand increases. And as use of electric vehicles grows the infrastructure build-out will be borne by those who are using electric vehicles and the supply and the demand
will work its way through.

And also I think he eluded to this would be cruel to lower-income voters to do this or lower-income consumers. And I have to say my vehicle was $7,950. And as a certified cheapskate I paid 7,950 for the vehicle, I plug it into the wall outlet in my garage. It didn't cost me anything for that. I'm saving about $100 a month in electricity. And at the time I purchased this there were probably 8 or 10 similar vehicles, similarly priced vehicles, Nissan LEAFs that anybody could have purchased. And so kudos to Wayzata Nissan for making a market for a three-year-old, lease-return Nissan LEAFs that I could go out and as a cheapskate buy one. And I enjoy probably 15, 16 cents per mile cost for driving. And that includes the purchase of the vehicle minus the resale and then also the cost of the 2 cents per mile for the energy required.

So I think that the sooner we get more electric vehicles out there they will eventually filter down to lower income people who can't afford as much and so forth. We just need to increase the supply and do it el pronto. So, again, thank you for your time. And that's what I had to say.
THE JUDGE: Thank you very much.

Roger Steinkamp, you are our next speaker.

ROGER STEINKAMP: Can you hear me?

THE JUDGE: I can. If you would like to turn on your camera.

ROGER STEINKAMP: You know what, the light on my camera is on, but nobody is home. It doesn't seem to be going out.

THE JUDGE: Sometimes it takes a little while to engage. In the meantime, why don't we get started with your comment. You can go ahead and state your name and spell your first and last.

ROGER STEINKAMP: My name is Roger Steinkamp. That's spelled R-o-g-e-r S-t-e-i-n-k-a-m-p. I grew up in Minnesota, but I've lived and worked around Minnesota and in several countries overseas. As a result of that, my wife and I both suffer from chronic bronchitis and asthma that were brought on by particulate pollution from vehicles and dirty generating plants in countries where we have been. And we know what the future holds if we do nothing to curb vehicle emissions.

So, we seem stuck in some angry nostalgia for a time that never existed. And the
longer we delay the further we fall behind. Isn't it ironic that the largest electric car plant is currently being built in Germany by an American entrepreneur, Elon Musk. And keeping the status quo and mixing in obstructionist politics with economics evokes a lot of passion but ignores the real problem that the planet is in peril.

You know, I love my '84 Dodge Ram pickup, but I realize it's a dinosaur. And I currently drive a 2002 Vibe that gets 45 miles per gallon. That was good back then. And when that dies I want to replace it with a ZEV if I can find one in Minnesota.

So we can help create a business environment that looks forward and not backwards. Car manufacturers and dealers are sensitive to demand, but it's hard to create that demand if something isn't there. And so if we are not leading the charge at this point, we can at least get on the train and not be left behind. The 14 other states that have adopted ZEV and LEV Standards comparable to California seem to be doing better off for it. And we can do that, too.

And I conclude with King Njegos, the last king of the Montenegrins, known for his
wisdom, admonished his countryman, and it might be appropriate for those who are dragging their feet on this issue. He said, "My poor Montenegrins, we do what we know, but we don't know what we're doing."

The rulemaking of the MPCA is just and provides us with a route to move forward. And I guess that's what I've got to say.

THE JUDGE: All right. I'm going to ask you for a clarification before you go. Who was the speaker of the statement that you made? I want to make sure that the court reporter has the name.

ROGER STEINKAMP: Oh. King Njegos. And that's spelled N-j-e-g-o-s.

THE JUDGE: N-j-e-g-o-s?

ROGER STEINKAMP: Yep.


ROBERT DEWAAY: I'm unmuted. I don't see -- oh, there, "Start video." I see it. There I am.

THE JUDGE: We see you, too, now. State your name and spell your first and last,
please.


THE JUDGE: You can go ahead.

Thank you.

ROBERT DEWAAY: Okay. In 1971 I was a student at Iowa State University studying chemical engineering. I also studied organic chemistry, the processes that were necessary for the combustion of hydrocarbons, all of the science that was behind that. As a junior, I switched majors and moved up here to study theology. Not because I didn't love what I was studying. But I loved theology even more.

When I moved up here, we moved into one block from Chicago and Franklin. So I spent the first five years living near Chicago and Franklin and the air pollution was really, really bad. And the type of pollution that was so bad back in 1971 had to do mostly with oxides of sulfur, oxides of nitrogen, particulates and other organic chemicals.

Now, the good news is that over -- I've been here now for 50 years continuously in Minnesota and the Twin Cities. The air is cleaner
now than it has ever been. I, too, have asthma.
But I can tell you that it's not caused by carbon
dioxide, which is now being called greenhouse
gases, talking about carbon dioxide. It's caused
by pollen, birch. It's all sorts of things that
are natural that are causing my asthma.

Now, I'm against this rule because I
don't believe it's ultimately beneficial for the
government to tip the scale in regard to supply and
demand and the choices of consumers.

Carbon dioxide -- which, by the way,
when I say that, I'm talking about what most people
call greenhouse gas. Carbon dioxide is clear, it's
odorless, and it's a trace element in our
environment, in our atmosphere. It's necessary.
Carbon dioxide is necessary for life on planet
earth. Therefore, carbon dioxide I can tell you
from my science background is not air pollution.
If we were to remove carbon dioxide, which
thankfully we cannot do, all life would cease on
plant earth. All plant life would die and the
chain of life would be over. So we need carbon
dioxide. The question is how much is the idea.

Well, this is a trace element. 200 parts per
million, 300 parts per million, 400 parts per
million. It varies and it has varied over history.

    And here's what I know to be true. We
cannot in any way fix some certain number of how
many parts per million in the atmosphere and make
it stay there.

    Secondly, and I've studied all of the
science besides my theology that do. The climate
changes because of many, many factors. Climate is
a dynamic system of multiple inputs, multiple
variables. And it's so complex that the
differential equations to try and be written to
predict it, it's got too many variables that we
cannot accurately predict it. So we don't know
what the climate is going to do.

    When I was studying this at Iowa State,
I wrote a paper about odd size of nitrogen and
sulfur coming from coal plants and acid rain and
the pollution. And it was really bad. And
thankfully that got cleaned up and you don't hear
about acid rain anymore.

    So I'm a very alarmed that suddenly
carbon dioxide which is one of the essential
elements for life on planet earth is being vilified
as a pollutant or being unclean. If you see a
picture of a smokestack which you often do with a
sign pollution -- carbon dioxide, it's invisible,
Your Honor. What we are seeing is a picture taken
in the winter of water vapor. A very, very clean
burn of a hydrocarbon produces two things. Carbon
dioxide and H2O. Water.

Now, one thing I want to also mention. In 2019, my wife's parents separately died down in
Iowa. We went down to visit them in their last
years or months, I should say, and I presided at
the funerals. And we drove down Highway 169 and 60
and all the way down there we saw two things that
were remarkable. The many ethanol plants along
Highway 60 near the railroad to bring ethanol up to
blend in gasoline. Why are they there? Because
the State made rules to lead to them being there.
Which was blending the ethanol. The other thing we
saw was wind generators. Windmills. Many of them.
Iowa has even more than what we saw in southern
Minnesota. That's all good. But here's what I'm
concerned about --

THE JUDGE: Mr. DeWaay, I'm going
to have you know that you are at your time. And so
if I can get you to conclude your comment.

ROBERT DEWAAY: Okay. Quickly.

If carbon dioxide is defined as air pollution and
we decide, well, we can't have that, it's not air
pollution, then all the ethanol plants were built
for nothing. Because ethanol is a hydrocarbon and
when it is oxidized it produces carbon dioxide and
water. So really what are we going to say to all
those ethanol producers. We don't want you. We
are sorry we told you to exist in the first place.

That's my statement. So I'm definitely
against this rule. Thank you.

THE JUDGE: Thank you very much.

Our next speaker, Anne Wildenborg.

ANNE WILDENBORG: Hello. My name
is Anne Wildenborg. A-n-n-e W-i-l-d-e-n-b-o-r-g.

THE JUDGE: And, Ms. Wildenborg,
are you participating by phone or are you on the
web so that you can turn your camera on?

ANNE WILDENBORG: It says -- how
is this? I guess it's not -- there we are.

THE JUDGE: There we go. Perfect.

Thank you. All right.

ANNE WILDENBORG: I'm a volunteer
with Isaiah Minnesota, League of Women Voters and
Citizens Climate Lobby testifying for myself in
support of Clean Cars. I currently live in
Redwing, Minnesota and have lived in Minnesota for
over 55 years.

Summers have gotten longer and hotter, the insects are disappearing, birds are fewer, torrential rain events have increased, more roofs are being replaced from hail damage and invasive plants are thriving. Climate change is real and having a devastating effect on agriculture and on much of Minnesota.

The MPCA has an exemplary record of making good choices for Minnesotans without the political atmosphere of the legislature. We need to act quickly to address the climate change.

Reducing vehicle emissions is one of the most effective ways to do that in Minnesota.

And I would like to see Clean Cars more available, especially in greater Minnesota communities. Since we usually need to drive a distance to find EVs for sale. Right now, cleaner cars are hard to find in our smaller towns and anyone who wants to buy an EV needs to drive to the Cities.

Today, while I was waiting to give my testimony, I called the two main auto dealers in my town to ask if they had EVs on their lot. The first one said they have one EV on the lot. I
asked him if they would like more EVs to sell. And he said our inventory has been very limited, but we really hope to get more in the next year. The other dealership I called said they have one fully electric car -- I'm sorry. Let me repeat it. Have no fully electric car, but one is coming. They do have two hybrid vehicles on their lot.

I have heard narratives telling us Clean Cars would make life harder for greater Minnesotans. But this tactic is used to pit us against one another, urban and rural. It will prioritize giant corporations over what we and our loved ones need. We need more clean cars in our communities and we need more infrastructure which will bring more green jobs to our communities.

My son has an EV and I personally hope to purchase an electric vehicle for my next car. And I hope to support one of our local dealerships who now have very few of them. Clean Cars Minnesota would help us simultaneously address our climate crisis and benefit our local communities. We need to decarbonize our energy sector. Thank you so much for listening to me.

THE JUDGE: Thank you. Our next speaker, Anjali Bains. Back again after two tries
at speaking before. Ms. Bains, are you ready?

   ANJALI BAINS: I am ready. Thank
you so much, Your Honor, for having me and for
sticking this all out. I really appreciate it.

   My name is Anjali Bains. That's
A-n-j-a-l-i. And then Bains, B as in boy a-i-n-s.
Thank you, Your Honor, for presiding and to the
MPCA staff who have been working so diligently and
transparently these past 18 months to ensure
rigorous and inclusive rulemaking.

   My name is Anjali Bains and I'm here on
behalf of Fresh Energy. Fresh Energy is a
Minnesota-based, nonpartisan, nonprofit that has
advocated for clean energy and its many co-benefits
for the past 30 years. I myself am a resident of
St. Paul by way of Woodbury, where I was born and
raised.

   As many yesterday noted, transportation
remains the number one source of greenhouse gas
emissions in Minnesota. Passenger cars and light-
duty trucks, the type of vehicles regulated by LEV
and ZEV Standards, are the biggest emitters within
the sector. Contributing to almost 60 percent of
the greenhouse gases from transportation. Such
vehicles are also major sources of other air
pollution like fine particulate matter that harm
the hearts and lungs of those living near busy
roadways and who are often most vulnerable among
us.

Reducing both climate-change causing
and health-harming pollution from passenger
vehicles is important. But it's also tricky to do,
given the sheer number of vehicles involved. The
LEV and ZEV Standards are some of the rare, tried
and true state policies that can reduce these
emissions. As the Agency's analysis clearly shows.
For those reasons, Fresh Energy supports the LEV
and ZEV Standards.

However, we do believe the proposed
ZEV credit bank includes an unnecessary element.
While early action credits incentivize automakers
to deliver EVs sooner, thereby Minnesotans clearly,
the onetime allotment outlined a subpart 5 of the
draft rule is unnecessary and provides freebie
credits to automakers for nothing in return. While
such credits may have been necessary 10 years ago
when the EV market was much more nascent, in an age
where the automakers themselves say EV models will
triple in last few years, such holdovers from the
past only serve as a drag on the policy's benefit.
To the extent allowed by this rulemaking, we respectfully request that the onetime allotment language is removed and that only the early action credit mechanism remains.

It's also important to emphasize that these rules only apply to automakers, as has been said. Since Minnesota has franchise laws that dictate how automakers can sell new vehicles here, in practice, some franchise auto dealers will be involved in selling the EVs required by the ZEV Standard. However, this is not the same as saying all dealers must sell EVs or that such a rule will take away gas tired options. As with any new model, electric or not, automakers and their auto dealers will have to negotiate on what gets sold where and for how much. The good news is that automakers have never been more motivated to sell EVs and will likely offer attractive financing and other deals to move them off lots, as Adam Lee, the Maine auto dealer, shared in his earlier remarks.

And if Minnesota becomes the first state in the Midwest to adopt the ZEV Standards, there is a real opportunity to bring in more out-of-state buyers looking for EVs who won't or can't go to the East or West Coast to find what
they want.

On an earlier concern expressed that EVs won't sell, it's important to note that EVs are not made equal. One EV is not the same as another, and there will be those that are more popular or better advertised than others, just like any gas tired car or truck. This means some will stay on lots longer than others, just like some gas tired cars. And as earlier commenters have mentioned, sometimes this happens because dealers aren't quite sure how to sell an EV. Luckily traditional automakers are finally investing in EVs. Which not only mean more models better suited to more buyers, like electric pickups to the extent this year or next, but also mean increased marketing in EVs as well. Something that automakers have historically grossly underinvested in to their own detriment. The ZEV Standards makes sure that these improved models including those that already exist like the Kia Niro plug-in make it to Minnesota.

Finally, on the matter of legislative action on consumer rebates, I echo what others have said. This is not an either/or proposition. In fact, Clean Car Standards and EV rebates are complementary. One gets the EVs here while the
others supports more consumers in purchasing them. Our rebate alone won't work if there aren't enough or the right EV is here to see and buy. And given a two-year window between adoption and implementation of these standards, adopting these rules now not only allows sufficient time to pass incentives, it actually gives more impetus for lawmakers to act.

In closing, now is the time to adopt the LEV and ZEV Standards. This rulemaking has already been delayed a year due to the pandemic and other federal actions. Waiting for the federal government is a moot point, since federal emission standards would not include the ZEV Standard. Minnesota should follow Virginia's recent example and mutually adopt these standards now. Doing so will set a clear mark and signal for automakers while reducing the impacts of climate change and cleaning up our air.

Thank you for the opportunity to speak. We will follow up this oral testimony with written testimony as well and I appreciate the time tonight.

THE JUDGE: Thank you very much. Ben Gorman, you are our next speaker.
BENJAMIN GORMAN: Hello.

THE JUDGE: I can see you and hear you. Go ahead and state your name and spell your first and last, please.

BENJAMIN GORMAN: My name is formally Benjamin Gorman. B-e-n-j-a-m-i-n. Gorman is G-o-r-m-a-n.

Good afternoon. It's almost evening now, isn't it. Oh, my goodness. You have been here a long time. You have the patience of a saint. You and your court reporter. Thank you very much for the opportunity to speak on behalf of this rulemaking. I'm honored and grateful to be here.

I'm here to express my strong support for the Clean Cars Minnesota rulemaking. To my view, after over 100 years of the ascendancy of internal combustion vehicles at the expense of our air quality, our health and our environment, we are well overdue to make these and further changes in the way we move ourselves in the 21st century.

Electric vehicles specifically with zero tailpipe emissions reduce maintenance costs. Greater efficiency and longer operating lifetimes are not only key to addressing the looming climate
crisis that threatens our world, but represent an
obvious opportunity for owner cost savings.

Low and zero-emission vehicle programs
will help draw down greenhouse gas emissions from
Minnesota's passenger vehicle fleet. The benefits
are many. Our air will be cleaner. Our health
will improve. Our operating costs will decline.
And these benefits will continue to increase as our
electricity grid transitions to ever cleaner
renewable sources and away from fossil fuels.

The electric vehicle revolution is a
watershed event. A once in several generations
leap forward akin to the transition from horses to
internal combustion cars over a 100 years which
occurred mostly within about 10 years. The EV
transition is happening now. It is necessary and
overwhelmingly beneficial and we must further its
impact in every way we can, including by approving
this rulemaking. We should lead, not follow the
market, and proactively advance this necessary
transition. Doing so will preserve the qualities
of life Minnesotans cherish, clean air and water
and healthy living conditions for our citizens.

If you've spent time in places like the
Boundary Waters Canoe Area wilderness in the north
as I have or wandered the picturesque bluff country
down here in my area or even just visited a few of
the parks and lakes in this great state, you know
that we have a lot to be thankful for and much that
it is our responsibility to protect. With this
rulemaking we can take a vital step in furthering
that protection and benefitting ourselves and our
environment.

In my personal life I strive to set an
example to others on how to live more sustainably
and less wastefully. I have yet to buy 100 percent
battery electric vehicle. But I do drive a 2015
Chevy Volt. That's V for victory. A plug-in
hybrid with all electric drive. I've been driving
it since October 2018 and I have yet to change the
oil in its gasoline generator engine. I am able to
charge it at my residence or on one of the four
ChargePoint brand charging stations in my town of
750 people. I think everyone who drives as well as
those who don't will benefit from this
transportation transition and I think we all have a
duty to move it forward for the sake of our
environment and our decendents. Please adopt the
Clean Cars Minnesota rule to help move us forward.
Thank you for your time.
THE JUDGE: Thank you. And will you tell me what town you are in of 750?

BENJAMIN GORMAN: It's Lanesboro.

THE JUDGE: Thank you very much.

So I think that Mr. Gorman was the last speaker that I had on my list of folks who had signed up initially to speak. I'm going to check with Agency staff and see if there is anyone else who had indicated an interest in speaking in this first go-round at this time.

MS. WENGER: No one has sent a message to the e-mail inbox and I do not see any hands raised on phones. So to our knowledge there is no one waiting.

THE JUDGE: So here's what we are going to do. We are going to take a break in just a minute, before we go on to any additional comments. But I want to let you know what the parameters are from here on out.

If you are on the line and you have not spoken yet and you think that you would like to speak, let us know. Go ahead and put your name in the Q and A and we will start a supplementary queue with you. If you are on the phone, press star 3 and send an e-mail to cleancarsmn.pca@state.mn.us.
If there is anyone on the line now who has not spoken yet who has decided that they would like an opportunity to speak, I'm going to have you register your interest in that and we will get you in first.

If there is no one else who has not spoken and there are folks who have previously spoken who are on the line and would like to speak again, I'm going to create a queue of you as well.

So if there is anyone who would like to go ahead and indicate an interest in a first-time speaking opportunity, you should do a -- all right, I'm seeing I think maybe someone is saying that they would like to speak. So that's good. We are going to take a break, before we go on to any additional speakers because it's time for me to give the court reporter a break.

So here's what we are going to do. If you have an initial interest in speaking and you want to get into the queue, please indicate that now either by Q and A or star 3 and cleancarsmn.pca@state.mn.us.

If you have previously spoken and you would like to speak again, I want you to go ahead and start getting into the queue. Previous
speakers indicate I have already spoken. I want to speak again. So that we can get you into the queue as well. Because we do have a little bit more time and I want to give folks another go-round if there is any possibility to do that. If you can go ahead and start getting yourself into the queue, that would be very helpful.

We are going to take a 10-minute break and then we are going to come back and do our final first round folks and then we are going to do our second round folks with time that we have left. And then when we have been through those folks and we don't have anybody else who wants to speak that's when I will conclude the hearing.

So it is 7:05. We are going to take a break until 7:15. Go ahead and get yourself into the queue if you would like an additional opportunity to speak. We will resume at 7:15. Thank you.

(At this time a brief recess was taken from 7:05 p.m. until 7:15 p.m.)

THE JUDGE: It is 7:15. We are going to go back on the record. I do note that there is one person it looks like who had not previously spoken has indicated an interest and
gone into the queue. Mathews Hollinshead. You can
go ahead and state your first and last names.

MATHEWS HOLLINSHEAD: Thank you,
Your Honor, for offering us this opportunity to
testify. My name is Mathews Hollinshead. That's
M-a-t-h-e-w-s. Hollinshead, H-o-l-l-i-n-s-h-e-a-d
as in David.

THE JUDGE: Let me ask, I'm not
seeing you on your camera. Are you able to turn
your camera on?

MATHEWS HOLLINSHEAD: I thought I
did. Let me try again. Wait. Hang on. It's
going to happen.

THE JUDGE: I have you now. All
right. So I want to confirm Mathews is
M-a-t-h-e-w-s, correct?

MATHEWS HOLLINSHEAD: This is
correct.

THE JUDGE: Thank you. You can go
ahead.

MATHEWS HOLLINSHEAD: I want to
say that I wear three hats. I'm a member of the
Transportation Advisory Board of the Metropolitan
Council of the Twin Cities. I'm a transit mobile
rep on that board. We vote on millions of dollars
of federal funding for local transportation
projects each grant cycle. I'm also the
conservation chair of the Sierra Club Northstar
chapter which testified yesterday. And I'm also a
board member of my neighborhood district council in
the --

THE JUDGE: We just lost your
sound there, Mr. Hollinshead. We just lost your
sound. Mr. Hollinshead? Let's see. So I am not
able to hear Mr. Hollinshead. For the court
reporter, are you able to hear him?

THE COURT REPORTER: (Indicating
in the negative.)

THE JUDGE: No. Can someone send
Mr. Hollinshead a message and just indicate that we
have lost the sound.

Mr. Hollinshead, we lost your sound for
the vast majority of the time you were talking.
You just talked about being with the Sierra Club
Northstar and then you were talking about something
else. So we lost your sound then. So if you can
go back to that and speak up a little bit, if you
can.

MATHEWS HOLLINSHEAD: Can you hear
me now?
THE JUDGE: I can. Let me ask the court reporter, are you able to hear him?

THE COURT REPORTER: (Indicating in the affirmative.)

THE JUDGE: Yes. Good. And that volume level I think if you sustain right there we should be okay.

MATHEWS HOLLINSHEAD: Okay. I do wear those three hats, but I'm going to speak personally on this issue. I'm 72. I've got asthma. And my wife and I are recently retired, so we are part of a demographic which is a big baby boom bulge. And I think it's fair to say that when we retire, we and our fellow age group retire, income changes. And yet we want to invest in an electric vehicle when we can.

Our situation is such that we are protecting our assets for unforeseen expenses. Possibly health care expenses, long-term insurance, long-term care insurance premiums, maybe an unforeseen home repair that we need to do and other things that come with age. So we don't have a lot of capital to throw around. But we are attracted by the overall lifecycle reduction in operating costs for a personal vehicle. So I just wanted to
mention that I think it's important to seniors and
I think it's important to those who have recently
retired on reduced incomes to have access to as
many possible models of electric vehicles as we
can.

THE JUDGE: We lost you again,
Mr. Hollinshead. No, there is no sound from you.
So we just lost you. And I'm not certain, you are
not muted on our end, but we are not able to hear
any sound. And I have confirmed the court reporter
has notified me she is not able to hear you either.
And still we cannot hear you. So it might be
beneficial for you, Mr. Hollinshead, to file a
written comment. Please do that. We had a good
run without technical issues for a long time, so
here we are at the very end. So I apologize. And
if you could file a written comment, that would be
great.

When you file your written comment -- I
didn't catch what your third hat was, so when you
file your written comment tell me again which hats
you are wearing. And I understand you are
commenting on your own behalf, but it's helpful to
have that perspective. So thank you,
Mr. Hollinshead.
MATHEWS HOLLINSHEAD: Thank you.

THE JUDGE: All right. So then I'm going to move -- is there anyone else, let me ask the Agency is there anyone else who is in the queue who indicated an interest in speaking and has not previously spoken?

MS. WENGER: Your Honor, I have no one in the queue who has not already spoken. I have one request for a second round comment.

THE JUDGE: All right. We are going to go to a second round comment now. And I think it is Ms. Bains.

ANJALI BAINS: Hello. Yes.

THE JUDGE: Ms. Bains, welcome back. So your spelling was A-n-j-a-l-i and then B-a-i-n-s, correct?

ANJALI BAINS: Yes. Exactly.

Thank you.

THE JUDGE: All right. Go ahead.

ANJALI BAINS: Thank you for having me back. I just wanted to comment briefly on the process to adopt the LEV and ZEV Standard here. And this is in response to remarks made by the Auto Innovators yesterday and how the Agency has proceeded with the LEV and ZEV rulemaking here
in Minnesota.

So contrary to their opinion, the Agency has conducted themselves admirably in a quite rational and transparent manner. They kicked off the whole process with a series of listening sessions around Minnesota, as they mentioned in their presentation, in addition to inviting the public and technical stakeholders to summit informal comments on the proposed rulemaking.

A clear majority of the 2400 responses received showed support for Clean Cars Minnesota. Further bolstering the Agency's rulemaking kind of progress alongside clear statutory authority to do so.

During this time, they also engaged directly with multiple technical experts such as the Auto Innovators to understand their concerns. I know this because meeting notes with these technical experts were posted publicly on the Agency website, allowing visibility into these discussions.

MPCA then went above and beyond in presenting a draft ZEV credit bank ahead of undertaking the SONAR analysis. And that's the statement of need and reasonableness. Ahead of
that analysis they posted this draft ZEV credit
bank to gain more feedback from stakeholders like
the Auto Innovators. The fact that the original
draft credit bank actually showed only early action
credits and that the currently proposed ZEV credit
bank includes both early action credits and the
one-time allotment which the Agency noted in its
intro was added in response to Auto Innovators
concerns, indicates a willingness on the Agency's
part to engage with a primary regulated party.

Fresh Energy disagrees with the
proposed ZEV credit bank for the reasons I outlined
previously. We would actually would like to return
to the original draft credit bank which only had
early action credit. The process itself to arrive
to that proposed credit bank that we currently see
in the draft rules was transparent and fair for
everyone involved and I truly want to thank the
Agency for that.

With that I will conclude my comments.
I won't enter my name again to speak again. Thank
you so much.

THE JUDGE: Thank you. Anyone
else whether you are a first-time speaker or
someone else who is still here? We actually still
have 74 participants on the line. So many of you have really held out for the long haul of this hearing. Is there anyone else who would like an opportunity to speak who has not yet spoken or who previously spoke, please send -- I'm going to give you a little bit of time to get it in there. Send a Q and A note to the host or star 3 on your phone and cleancarsmn.pca@state.mn.us for the e-mail. I'm going to wait a moment to let folks get into the queue.

While we are waiting just to see if there is anybody else who might like to get into the queue, I would ask Agency staff to put back up the PowerPoint slide that includes the ways to make a written comment. This is slide 8. If I can have you put the PowerPoint back up with slide 8 with the written comment information.

And while you are doing that, I want to remind everyone that the closing period for written comments for the initial comment period is 4:30 p.m. on March 15. And the time period when the rebuttal comment period will close is 5 business days later, on March 23. And we can probably put that slide up.

Excuse me. I think I might have
misspoken. I think it might have been the 22nd. I'm looking at my own information now. So the three ways that you can offer written comments then: minnesota.oah.granicusideas.com/discussion, U.S. Mail to the Office of Administrative Hearings, attention, Denise Collins, C-o-l-l-i-n-s, and by fax to 651-539-0310.

And I misspoke earlier. It's been a very long two days of hearing. The rebuttal period is March 22. 4:30 p.m., March 22 is the end of your rebuttal period all comments will need to be received. Remember, the rebuttal period is responsive comments. Not new comments. So 4:30 is our deadline for filing on March 15 for initial comments and 4:30 p.m. on March 22 for rebuttal comments.

I'm just checking to see. Let me ask Agency staff is there anybody that you have heard from either in the Q and A or by star 3 or e-mail to indicate that someone is interested in speaking who has not had an opportunity or who would like to come back?

MS. WENGER: Your Honor, no one has expressed interest by any of those paths.

THE JUDGE: So in that case, if we
have been through everybody who wanted to initially speak and everybody who wanted to speak again, I am going do conclude the hearing.

So it is now 7:26. We ran five hours yesterday. Almost five hours again today. I want to thank everyone who participated in these two hearings, yesterday's and today's. As you all identified, this is an important matter of public policy and we definitely benefit from having the perspectives that were shared.

I do really appreciate the Agency's assistance in helping me manage running this hearing with the technological aspects and the PowerPoint and the formulation of the queue. It's very, very helpful to have someone sort of be my backup and get that done.

And I also express my appreciation to the court reporter. This is a very hard format to take things -- court reporting in this format is much more difficult than court reporting in person, so I appreciate her efforts and the efforts of the court reporter who assisted us last night. Because having a good record is absolutely essential to the determinations that I need to make and the determinations that the Agency will have to make.
So with that, I thank again all of you for participating in these hearings and we are adjourned. Take care.

(The Public Hearing concluded at 7:27 p.m.)
REPORTER'S CERTIFICATE

I, SUSAN M. STROM, do hereby certify that I recorded in stenotype the Public Hearing on the foregoing matter on the 23rd day of February, 2021;

That I was then and there a Notary Public in and for the County of Dakota, State of Minnesota;

I further certify that thereafter and on that same date I transcribed into typewriting under my direction the foregoing transcript of said recorded hearing, which transcript consists of the typewritten pages 223 through 418.

I further certify that said hearing transcript is true and correct to the best of my ability.

WITNESS MY HAND AND SEAL THIS 1st DAY OF MARCH, 2021.

/s/SUSAN M. STROM
Court reporter