

June 28, 2022

New York Climate Action Council  
625 Broadway  
Albany, New York 12233-0001  
*Submitted Electronically*

RE: Nikola Corporation's Comments in Support of Including a Clean Fuel Standard (CFS) in New York's Scoping Plan

## **ABOUT NIKOLA CORPORATION**

Nikola is a designer and manufacturer of zero-emissions battery-electric (BEV) and hydrogen fuel cell electric vehicles (FCEV), electric vehicle drivetrains, vehicle components, energy storage systems, and hydrogen station infrastructure, dedicated to the advancement of innovative zero-emissions truck solutions and the energy infrastructure required to make this feasible. By building a complete hydrogen ecosystem of production, distribution, and dispensing and site-specific use case consultation on BEV charging solutions, Nikola and its strategic business partners and suppliers are paving the way as global leaders in decarbonizing the heavy-duty transportation sector and, together, leaving the world a better place. Founded in 2015, Nikola Corporation is headquartered in Phoenix, Arizona. For more information, visit [www.nikolamotor.com](http://www.nikolamotor.com) or Twitter @nikolamotor.

## **Comments**

Nikola Corporation ("Nikola") applauds the Climate Action Council for including a clean fuel standard (CFS) in the draft scoping plan. The transportation sector is the second-largest source of greenhouse gas (GHG) emissions in New York State. As a zero-emissions vehicle manufacturer of Class 8 heavy-duty BEV and FCEV trucks, Nikola is keenly aware of the challenging task that New York faces to decarbonize heavy industries like on-road transportation. With the development of a Clean Fuel Standard (CFS), New York will create a market to accelerate the shift to clean fuels, reduce reliance on fossil fuels, improve public health outcomes, and help the state reach its climate goals without burdensome costs to taxpayers.

A CFS is a technology-neutral, performance-based standard that will help New York reduce emissions from the transportation sector and achieve its aggressive climate goals. More than 95% of New York's transportation needs rely on petroleum-based fuel, consuming 6.78 billion gallons of diesel and gasoline in 2019. New York must adopt policies to speed up the state's transition to zero-emissions vehicles (ZEVs) and clean fuels.

Reliance on the natural adoption of ZEVs will not allow the state of New York to reach its goal of a 40% reduction in emissions by 2030. As indicated in the integration analysis, ZEV market penetration will need to reach 98% in the light-duty vehicle sector and 40% for medium and heavy-duty vehicles to meet this goal in only eight years. Even under the most ambitious electrification scenario, roughly one-third of the transportation energy consumed in 2050 will still come from fossil fuels, absent alternative fuels.

The adoption of a CFS will accelerate electrification and promote rapid growth in low-carbon liquid and gaseous fuels. A 2022 study for Scioto found that a 20% carbon intensity reduction CFS policy could reduce oil consumption in New York by 8-25 million barrels annually, worth between \$850 million to \$5.1 billion in benefits.

Nikola is rapidly bringing trucks to market, and we stand ready to help New York fleets transition to ZEVs. We began serial production and customer delivery of the Tre BEV, our class 8 battery-electric truck, in the first half of 2022, and plan to begin serial production of our hydrogen fuel cell Tre FCEV in the second half of 2023. Initiatives such as vehicle purchase incentives and a Clean Fuel Standard will help cover the operating costs of fleets switching to zero-emissions technologies. Even with aggressive electrification efforts, New York must transition to liquid and gaseous clean fuels, especially for hard-to-electrify sectors. In addition to the emissions reductions available through electrification, substituting lower-carbon renewable fuels will help offset fossil fuel use and reduce harmful pollutants for combustion engine vehicles that will remain on the road for decades.

Clean fuels are essential for hard-to-electrify sectors. Non-road fuels (including aviation) are 12% of total transportation emissions in New York. Other transportation emissions policies will not help to decarbonize these hard-to-abate sectors. We will need to consider alternative investments in biofuels and clean hydrogen to transition from fossil fuels, and a CFS will help to accelerate this transition.

Nikola respectfully urges the Climate Action Council to include a CFS in the final climate action plan to drive our transition to zero-emission vehicles, provide incentives for ZEV charging and fueling infrastructure, and reduce New York State's reliance on fossil fuels. Thank you for this opportunity to comment on this important plan.

Sincerely,

Alana Langdon  
Head, Government Affairs and Global Policy  
Nikola Corporation