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California and Seven States Commit to Faster Transition to Zero-Emission Trucks and Buses

Next Step is Formal Agreement

Today California, Connecticut, Maine, Massachusetts, New Jersey, Oregon, Rhode Island and Vermont committed to move forward together to develop an agreement and action plan to put hundreds of thousands more zero-emission trucks and buses onto their roads and highways. The <u>Statement of Intent</u> announced today is intended to support accelerated deployment of medium- and heavy-duty zero emission trucks and buses.

The transportation sector is now the largest source of climate-altering carbon pollution in the United States. After passenger cars and trucks, medium- and heavy-duty vehicles are the next largest source of transportation sector greenhouse gas emissions. They are also a major contributor to emissions of harmful smog-forming pollutants, particulate matter, and air toxics that are disproportionately impacting urban communities and those located near major truck routes and distribution hubs. Electrification of trucks and buses is essential to improve air quality and achieve the reductions in carbon pollution needed to meet state science-based GHG emission reduction goals and avoid the worst impacts of climate change.

This effort builds on an existing Memorandum of Understanding signed by California and nine other states with zero emission vehicle (ZEV) regulations to accelerate consumer adoption of light-duty zero emission passenger cars and trucks. That ongoing effort established a multi-state ZEV Task Force to coordinate state efforts and the development of a comprehensive ZEV Action Plan for passenger cars and trucks. Facilitated by the Northeast States for Coordinated Air Use Management (NESCAUM), a multi-state organization with more than 50 years of experience supporting collaborative clean air programs, the multi-state effort to promote and support ZEVs has proven to be a successful model for effective state and regional action to advance transportation electrification.

This new medium- and heavy-duty vehicle collaborative effort will also be implemented through the ZEV Task Force and facilitated by NESCAUM, and will pursue similar coordinated action with industry and stakeholders to identify and address cost, fueling infrastructure, and other barriers.

"Today's announcement is definitely a step in the right direction: Trucks are increasingly a major contributor to air pollution nationwide, but especially in our cities where they are among the largest sources of toxic emissions in vulnerable neighborhoods. We need to design a regulatory program that gets to the heart of this problem. We will move farther faster in partnership with other states who share the same commitment to cleaning up trucks and protecting public health," said CARB Chair Mary D. Nichols.

"Many communities in Connecticut are located near major trucking routes, ports and other trucking hubs and are particularly vulnerable to the harmful health impacts of air pollution from diesel trucks and

¹ State Zero-Emission Vehicle Programs Memorandum of Understanding, October 24, 2013. The original eight signatory states were CA, CT, MD, MA, NY, OR, RI and VT. NJ and ME joined in 2018 and 2019, respectively.

further contributing to the climate crisis. As the federal government continues to ignore the public health of our citizens and the impacts of climate change, state leadership in pursuit of decarbonizing the transportation sector is needed now more than ever," said Connecticut Department of Energy and Environmental Protection Commissioner, Katie Dykes.

"Promoting the adoption of electric vehicles isn't limited to cars and light trucks and we are grateful for the collaboration with other states and the Northeast States for Coordinated Air Use Management," said New Jersey Department of Environmental Protection's Commissioner Catherine R. McCabe. "We welcome the opportunity to spur the introduction of zero-emitting medium- and heavy-duty trucks to help reduce emissions and make New Jersey stronger and fairer for everyone, especially those in neighborhoods who are disproportionately affected by emissions from these vehicles. This new initiative will build on the New Jersey's continued momentum in electric vehicles and will be an integral part of our strategy to mitigate the impacts of climate change."

Today's announcement coincides with a meeting of the California Air Resources Board to consider a new Advanced Clean Trucks rule to establish ZEV sales and reporting requirements for medium- and heavyduty trucks and buses.

Exciting new technology developments in the medium- and heavy-duty sector are making zero emission public transit and school buses commercially viable, as well as in a growing number of other applications, such as delivery vans and garbage and utility service vehicles. The signatory states are already working to expand the market for MHD ZEVs. California has invested nearly \$1 billion in cap and trade proceeds into a variety of demonstration and pilot projects to accelerate and promote the commercialization of zero- and near-zero medium and heavy duty trucks and buses. Companies with large fleets, including Pepsico and FedEx, are partners in these initiatives, along with a broad range of other technology partners.

Other participating states are providing incentives for zero emitting freight trucks, transit buses and school buses; introducing electric shuttle and urban buses into transit fleets; allocating Volkswagen settlement funds toward medium- and heavy-duty vehicle electrification; and piloting innovative approaches such as vehicle-to-grid (V2G) electric school buses.

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MULTI-STATE MEDIUM- AND HEAVY-DUTY ZERO EMISSION VEHICLE INITIATIVE

STATEMENT OF INTENT DECEMBER 12, 2019

The urgency of the climate crisis demands immediate, aggressive action by all levels of government and all sectors of the global economy. Our communities are already experiencing the damaging effects of climate change – more frequent and extreme weather events, devastating floods, rising sea levels, prolonged drought, destructive wildfires, and mounting economic losses in the billions of dollars.

States, as well as the District of Columbia, have a critical leadership role to play in establishing and implementing policies and programs to rapidly decarbonize our economy at a pace needed to avoid the worst impacts of climate change. Our states recognize that nearly all new motor vehicles need to be electric by 2050 to achieve the necessary reductions in greenhouse gas emissions. Therefore, transportation electrification is a key climate action strategy and a top air quality priority for our states.

Many of our states are signatories to a 2013 Governors' Zero Emission Vehicle (ZEV) Memorandum of Understanding, by which the states committed to formation of a Multi-State ZEV Task Force and development of a comprehensive ZEV Action Plan to accelerate consumer adoption of zero emission light-duty passenger cars and trucks. This successful effort has proven to be a model for effective and efficient collaborative state action. The same kind of public commitment and focused collaborative state effort to develop and implement a range of market enabling programs and initiatives is needed for medium- and heavy duty vehicles.

After light-duty vehicles, medium- and heavy-duty vehicles are the next largest contributor to transportation sector greenhouse gas emissions. Diesel emissions from these vehicles are also a major source of nitrogen dioxides, particulate matter, and air toxics, and are preventing many densely

populated areas from achieving air quality levels that are protective of public health with an adequate margin of safety. These harmful emissions have a disproportionate impact on many disadvantaged communities located near ports, distribution centers, and other trucking hubs. Manufacturers are beginning to produce zero emission buses and trucks and companies are responding by converting their fleets to cleaner alternatives. States can play a vital role in this process. It is our intention to build on the light-duty ZEV memorandum of understanding as a successful model to advance adoption of zero emission medium- and heavy-duty vehicles.

Through this Statement of Intent, the undersigned states and the District of Columbia, commit to the development of a multi-state memorandum of understanding to support and accelerate the deployment of medium- and heavy-duty ZEVs through a collaborative process facilitated by the Northeast States for Coordinated Air Use Management (NESCAUM). It is our intention to present a proposed memorandum of understanding to the governors of the undersigned states and the mayor of the District of Columbia for consideration in the summer of 2020.

[Signatures on the following pages]

Dominion Energy MediaRoom

Dominion Energy Proposes Largest Electric School Bus Initiative in the Country

- Zero-emissions electric school buses will improve air quality, reduce carbon emissions
- School districts will pay no added cost, see reduced operational and maintenance costs
- Batteries on electric school buses can be used to enhance grid reliability

RICHMOND, Va., Aug. 29, 2019 /PRNewswire/ -- Dominion Energy Virginia announced plans for the nation's largest electric school bus deployment to reduce emissions, provide cost savings to school districts and enhance grid reliability.

In the coming weeks, bus manufacturers will be able to submit bids through an RFP process and school districts can express their interest in participating in this groundbreaking program to receive the buses as soon as next year.

The initial phase of the electric school bus deployment aims to have 50 buses fully operational within Dominion Energy's Virginia service territory by the end of 2020 – all without any change in prices paid by customers. Phase two of the project, with state approval, would expand the program to bring 1,000 electric school buses online by 2025. Once phase two is fully implemented, the buses' batteries could provide enough energy to power more than 10,000 homes. Phase three would set the goal to have 50 percent of all diesel bus replacements be electric by 2025 and 100 percent by 2030.

"We're committed to lowering our carbon emissions, but we can't do it alone. Transportation is the number one source of carbon emissions in the US, and by partnering with this industry, we can expedite the development of innovative, cleaner, more sustainable solutions," said Dominion Energy Chairman, President and CEO Thomas F. Farrell, II. "We think that electric school buses will provide a wide range of benefits for the customers and communities we serve, including cleaner air, cost savings for school districts, and enhanced grid reliability."

Replacing diesel-powered school buses with electric school buses will have a positive impact on the environment and improve air quality. An electric school bus produces zero emissions. Replacing a diesel bus with an electric bus is the equivalent of taking 5.2 cars off the road. If fully implemented, by 2025, the program would be the equivalent of removing more than 5,000 cars from the road per year. That means lower carbon dioxide emissions and cleaner, healthier air for everyone, especially children.

"Once again, Virginia is leading the way in promoting electric vehicle technology and improving our environment," said Governor Ralph Northam. "This innovative electric school bus program is one of many steps we are taking to make electric vehicles accessible to all Virginians, and we look forward to working with Dominion as they bring electric school buses to communities in all corners of our Commonwealth."

Under the program, Dominion Energy will offset the additional costs of an electric school bus, including charging infrastructure, above the standard cost for a diesel bus. Operational and maintenance costs are also lower with electric school buses, providing a potential reduction of 60 percent per year for localities.

The electric school buses will also serve as a grid resource by creating additional energy storage technology to support the company's integration of distributed renewables such as solar and wind. The "vehicle-to-grid" technology leverages the bus batteries to store and inject energy onto the grid during periods of high demand when the buses are not needed for transport.

A tele-town hall meeting will be conducted on September 4, 2019 to provide school districts more information about the program.

For more information about the program, please visit www.DominionEnergy.com/electricschoolbuses or email ElectricSchoolBuses@DominionEnergy.com.

Photos and b-roll available for download here:

https://news.dominionenergy.com/multimedia

About Dominion Energy

Nearly 7.5 million customers in 18 states energize their homes and businesses with electricity or natural gas from Dominion Energy (NYSE: D), headquartered in Richmond, Va. The company is committed to sustainable, reliable, affordable and safe energy and is one of the nation's largest producers and transporters of energy with about \$100 billion of assets providing electric generation, transmission and distribution, as well as natural gas storage, transmission, distribution and import/export services. The company expects to cut generating fleet carbon dioxide emissions 80 percent by 2050 and reduce methane emissions from its gas assets 50 percent by 2030. Please visit www.DominionEnergy.com to learn more.

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Additional assets available online: Photos (1)

https://news.dominionenergy.com/2019-08-29-Dominion-Energy-Proposes-Largest-Electric-School-Bus-Initiative-in-the-Country