

## Recommendations for PEV HOV Lane Access

Programs that allow plug-in electric vehicles (PEVs) to use highway lanes designated for high occupancy vehicles (HOV lanes) are an important element in the suite of policies that promote vehicle electrification. For many drivers, HOV lane access is a powerful incentive that can save an hour or more daily from a commute and thus can be an effective driver for PEV purchases.



Plug in America is a strong supporter of a decal program that allows PEVs access to HOV lanes. It is a critical component in maintaining and growing the PEV market. Studies from UC Davis have shown that this incentive may be worth as much as \$5,000 per vehicle for some consumers.<sup>1</sup> This non-monetary incentive for PEVs benefits the state as well. We recommend the following elements be incorporated into any HOV lane access program:

1. **Separate decals are needed for plug-in electric vehicles (PHEVs) and battery electric vehicles (BEVs):** Separate decals will allow for changes to be made to the PHEV decal program over time without affecting the BEV decal program. For example, once the PEV market has moved into the mass market stage, it may be desirable to phase out PHEV decals and only permit BEVs in the HOV lanes, depending on if there are certain air quality or emission reduction goals to meet.
2. **Equivalent treatment for BEVs and PHEVs:** Eligible BEVs and PHEVs should be treated equally under any decal program and allowed unlimited numbers of decals during the program period. This will allow for simpler administration.
3. **Minimum—and increasing—threshold for eligibility by PHEVs:** Only PHEVs that meet a minimum threshold should be eligible for the program. The threshold could be either for the electric range or battery capacity that would be at least adequate for a typical daily commute. Cars that do not meet this threshold provide far less environmental benefit to the state because they are primarily running on gasoline. A minimum electric range of 25 miles could be considered initially and then increased to 30 miles after 18 months, as technology improves.
  - The current California decal program has a minimum electric range threshold of 20 miles.
4. **PEVs should abide by State and Federal HOV lane performance standards:** Both BEVs and PHEVs should be able to comply with the minimum electric driving speeds while running on electricity for the HOV lane.<sup>2</sup>

<sup>1</sup> Tal, Gil and Nicholas, Michael. "Exploring the Impact of High Occupancy Vehicle (HOV) Lane Access on Plug-in Vehicle Sales and Usage in California." UC Davis Institute of Transportation Studies. April 2014. Available at: <http://docs.trb.org/prp/15-5180.pdf>. More information on the current California Clean Air Vehicle Program is available at: <https://www.dmv.ca.gov/portal/dmv/detail/vr/decals>.

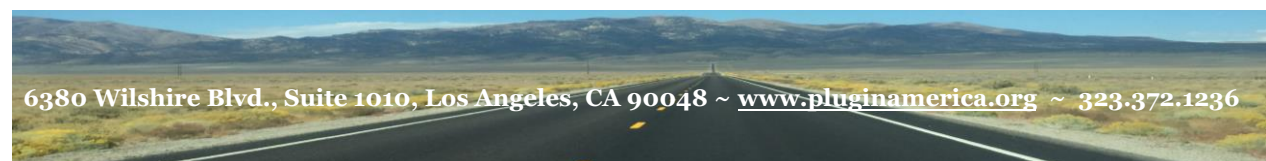
<sup>2</sup> For example, the Washington State Transportation Commission has adopted a performance standard for HOV lanes that states vehicles should average 45 mph or greater at least 90% of the time the HOV lane is accessed during peak hours.

5. **Decals should be available at the point of sale:** The decals should be provided to the dealerships so that the consumer does not need to take additional cumbersome steps to apply for the decal. It is a far more attractive deal for consumers to receive the decal immediately.
  - The current program in California is somewhat cumbersome for consumers. Dealers may apply for the decals in advance and have at their dealership, but most do not and require the consumer to apply for the decal. California should require the decals to be available at the point of sale.
  
6. **Long-term sunset date for the decals and the program:** Policies with long-term sunset or phase-down terms work best in providing confidence to consumers, auto manufacturers and dealers that not only will the decals be available, but that the PEV can access the HOV lane for the duration of the program.
  - The current end date for the California Clean Air Vehicle Program is January 1, 2019. This date should be extended out three years for both decal issuance and decal eligibility to January 1, 2022. An unlimited number of new decals for both BEVs and eligible PHEVs would be issued through this date. Existing white and green decals in circulation and newly issued white and green decals would all be eligible through this date. This straightforward approach would simplify program administration and also create market certainty for dealers.
  - California has a goal of 1.5 million PEVs on the road by 2025, at which point the PEV market is expected to be in the mass market stage. A sunset date of January 1, 2022 helps to move the market beyond the early adopter stage, as by 2022 California should be well on its way to achieving the 1.5 million PEV goal. Should California not be close to achieving the 1.5 million PEV goal, there would still be 3 years to extend HOV access for PEVs.
  - If each new decal issued were to sunset every three years, as some stakeholders suggest, this would mean that the decal would never pass to the used car market, as the majority of PEV drivers lease or buy a new car every three years. The lower-income customers looking to buy a PEV in the used car market would not be able to take advantage of the HOV lane access under this approach. Therefore, once a sticker is issued to a PEV it should remain with the PEV until the end date for the entire program. Caltrans recently stated that they are not concerned with congestion of the HOV lanes by PEVs.<sup>3</sup>
  
7. **Program review one year before the sunset date:** Twelve months before the sunset date, the program should be reviewed to determine the need for a further extension if the penetration rate of PEVs is still below the state target and congestion of state HOV lanes has not become a concern. At that point, it may be appropriate to scale back the eligibility of the vehicles with the least environmental benefit, by further increasing the minimum range threshold for PHEVs or phasing out the green decal program entirely.

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<sup>3</sup> Senate Floor Analysis on AB 1964 (Bloom) from August 18, 2016. CalTrans statement on page 5, "Caltrans states that it is not considering prohibitions on clean vehicles in HOV lanes because they account for a relatively small percentage of peak-hour HOV volume."

[http://leginfo.ca.gov/faces/billAnalysisClient.xhtml?bill\\_id=201520160AB1964](http://leginfo.ca.gov/faces/billAnalysisClient.xhtml?bill_id=201520160AB1964)



### **About Plug In America**

Plug In America is the nation's leading independent consumer voice for accelerating the use of plug-in electric vehicles in the United States to consumers, policymakers, auto manufacturers and others. Formed as a non-profit in 2008, Plug In America provides practical, objective information collected from our coalition of plug-in vehicle drivers, through public outreach and education, policy work and a range of technical advisory services. Our expertise represents the world's deepest pool of experience of driving and living with plug-in vehicles. The organization conceived National Drive Electric Week. We drive electric. You can too.