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October 28, 2021

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Imperial Irrigation District's Comments on the September 9, 2021 and October 6, 2021, Advanced Clean Fleets Regulation, Public Fleet Requirements and Updated Cost Assumptions Workshops

The Imperial Irrigation District (IID) appreciates the opportunity to comment on the Advanced Clean Fleets (ACF) Proposed Draft Regulation Language for Public Fleet Requirements presented at the workshop held on September 9, 2021, and the follow-up discussions held on October 6, 2021. IID is an irrigation district and a public power provider representing some of the most economically disadvantaged and underserved communities in the state. Our predominately rural service territory encompasses all of Imperial County, parts of Riverside and San Diego Counties, and spans several thousand square miles. We appreciate the efforts of CARB staff in considering and incorporating stakeholder input in the draft regulatory language, and we encourage the continuation of these constructive efforts in order to develop a practical and achievable Draft Rule.

IID recognizes that transportation is the single largest source of the State's greenhouse gas (GHG) emissions, and achieving a zero-emission vehicle (ZEV), medium and heavy-duty fleet by 2045 where feasible, is critical to meeting California's environmental goals. While we support the state's goals to promote clean transportation options, and we endorse the direction that fleet electrification is headed, IID continues to request that CARB ensure the Draft Rule avoids imposing unintended consequences that would limit



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a public utilities' ability to consistently deliver essential services, especially during emergency events.

IID is actively engaged in NZEV and ZEV pilot programs. Through the HVIP voucher program in 2019, IID purchased 12, 37' troubleshooter bucket trucks utilizing a hybrid, plug-in ePTO system known as the Altec Jobsite Energy Management System (JEMS). In 2019 and 2020 IID also purchased 7, 55' material handler bucket trucks, 1, 80' material handler bucket truck, 4 digger derricks, 1, 105' bucket truck, and an insulator wash truck utilizing the Altec JEMS system for integrated cab comfort. This plug-in technology allows for engine-off heating and cooling capability, which greatly reduces jobsite engine idle time. IID is also committed to electrification of its sedan fleet, and maintains 11 hybrid sedans and 8 full ZEV sedans (Appendix A).

Our 2022 buying program includes the purchase of two, all-electric, half-ton pickup trucks to pilot throughout the district's expansive service territory. This pilot will assist the district with evaluating the applications and tasks performed on a daily basis as a means of keeping the lights on and the water flowing, in order to determine immediate electrification compatibility.

IID supports a comprehensive strategy to accelerate the transition to ZEVs for vehicles that are available, tested and suitable for electrification. On the other hand, we also recognize the unique operational challenges of utility emergency response operations and the public's expectation of expedited restoration of damaged utility infrastructure and disconnected services. CARB's ACF Rule for public fleets must acknowledge and allow for flexibility in practical, economic and emergency situations where ZEV models are unavailable for purchase. Whether it is due to the manufacturer's inability to match duty cycles, there is an oversubscription of that product in the ZEV market, or the cost implications to the agency are not feasible, an alternative solution for public fleets is necessary in order to sustain essential services.

To accommodate the unique service requirements of an irrigation district and a public power provider, IID offers the following suggestions and considerations regarding the Proposed Rule for public fleets:

- A phased approach to fleet ZEV implementation that recognizes public utility limitations regarding the costs to ratepayers arising from ZEV purchasing requirements, and the associated revenue impairments within the utility industry.



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- Implementation of purchase requirements that are considerate of market sensitivities and ensure ZEV equipment options are technologically comparable to enable a 1:1 ratio for ZEV replacement.
 - Establishment of a ZEV Technology and Market Review Committee to assess production, availability, suitability and confirmed operational testing.
 - Additional consideration and flexibility in the exemption for specialty utility equipment used in response and restoration activities of emergency events.
1. **A phased approach to fleet ZEV implementation that recognizes public utility limitations regarding the costs to ratepayers arising from ZEV purchasing requirements, and the associated revenue impairments within the utility industry:**

IID suggests a two-year delay in the initial purchasing requirement for Class 2b through Class 6 vehicles, set to begin in 2024, as a result of the effects of the global pandemic on public utilities across the state.

During the Governor's COVID shutdown and utility shut-off moratorium, revenues to public utilities were limited, and it created havoc in the routine budgeting cycle for fleet buying programs and capital project budgets. Public utilities throughout the state experienced over \$300 million in delinquencies due to customer non-payment, and IID individually accounted for \$11.3 million in delinquencies from March 2020 thru February 2021. Many utilities are using reserves to make up for the lost revenues and are significantly altering their budget priorities. Any rate increases that are needed to fund charging infrastructure and/or ZEV purchases is governed by state law and will likely take two years to implement.

The fleet industry as a whole has also been severely impacted by the ongoing effects of the global pandemic. There has been an unprecedented interruption in the manufacturing and distribution of computer microchips, manufacturing plant shutdowns, worldwide shortages in raw materials, and astonishing cost increases in steel, aluminum and petroleum based products. These supply chain disruptions are expected to continue into 2023, which will also hinder the production capabilities for ZEV manufacturers.

In addition to service disconnect moratoriums and supply chain disruptions, public power providers also have double the budget burden, as they must build-out



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infrastructure not only for themselves, but also the communities they serve, all while simultaneously implementing ZEV fleet purchasing buying programs. Current charging infrastructure has yet to standardize which is exacerbating the issue, and causing uncertainty for buyers and infrastructure engineers who are trying to align the buying program with the appropriate charging infrastructure, in the most cost effective manner possible.

IID suggests deferment in the ZEV purchasing requirement for Class 7 and Class 8 specialty utility vehicles until 2030.

IID's recent communication with its Class 7 and Class 8 suppliers suggest that utility specialty vehicles in these classes will not be commercially available until the end of the decade. There is also significant debate in the industry regarding the viability of battery technology in the larger class vehicles that utilize a power take off (PTO) system to operate the hydraulic functions on specialty equipment. Research and development is currently being pursued on the advancement of alternative fuel cell technologies that may prove to be more practical and conducive to a utility fleet's specialty equipment needs.

IID also believes that this delay will facilitate the manufacturers' ability to deliver reliable, tested and safe, zero-emission utility vehicles with proven technology. It is important to note that the emissions net for this change will be minimal, as the Class 7 and Class 8 specialty utility vehicles are not a major emissions source in the transportation sector. CARB's rulemaking rationale is focused on last-mile driven priority fleets, and utility emissions in this class are a very small percentage of the overall statewide emissions inventory. We strongly feel that most of these emissions can be offset by additional purchases of Class 2b through Class 6 vehicles.

2. Implementation of purchase requirements that are considerate of market sensitivities and ensure ZEV equipment options are technologically comparable to enable a 1:1 ratio for replacement.

At this point in time, a fleet owner has no ability to control vehicle availability or delivery timelines, and a grave concern is that IID would be unable to achieve 100% compliance certainty, despite our best efforts. Although the ZEV Purchase Requirements can be based on the year of purchase identified on the purchase contract, additional consideration needs to be granted for utilities up-fitting vehicles for specialty functions, as they frequently alter the delivery date and the effective in-service date. For IID, fulfillment timelines for specialty utility vehicles that have been outfitted to meet our



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specifications, is currently above 500 days from the date of purchase to the date of delivery. With the supply chain disruptions we have experienced, the district's manufacturers are not currently accepting new orders on standard chassis, and we have been advised that this will remain in effect until further notice.

In addition, the option to purchase an internal combustion engine if no viable ZEV exists in the marketplace is imperative. The technology for ZEV in the medium and heavy-duty specialty utility equipment classes doesn't exist yet, and safety testing of the equipment and its functionality hasn't been performed. Only equipment with a robust history of proven application should be eligible for consideration, and a vehicle's capabilities and reliability under a variety of operating circumstances needs to be demonstrated on a 1:1 replacement ratio before the implementation of a purchasing requirement.

3. Establishment of a ZEV Technology and Market Review Committee to assess production, availability, suitability and confirmed operational testing

In an effort to ensure CARB staff is fully informed on product availability and commercial viability, IID recommends that the ACF process include a production and technological review conducted by an independent panel of experts to help address the stakeholders concerns that vehicles currently do not exist for some critical specialty fleet vehicles. CARB's Proposed Rule should include a Technical Committee to monitor and report on technological advancements and certification of ZEVs as used in other regulatory standards such as the former Battery Technical Advisory Panel and the Fuel Cell Technical Advisory Panel.

4. Additional consideration and flexibility in the exemption for specialty utility equipment used in response and restoration activities of emergency events.

The ACF condition for exemption from the ZEV (or NZEV) Purchase Requirements, advises stakeholders that vehicles that provide emergency response in support of utility services may be granted an exemption if "more than 75 percent of that body type in the fleet are already ZEVs." For IID, this exemption is impractical. In many cases, one hundred percent of a line construction truck's body type is considered critical for emergency response. While the percentage of vehicle body types that may respond in any given emergency or mutual aid situation does vary, it is important to note that a 25%/75% exemption ratio is unworkable and does not reflect real-life conditions in the field. A public agency's ability to respond to catastrophic or emergency situations cannot be constrained by unrealistic regulations or unviable exemptions. Instead, IID is



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respectfully requesting flexibility in the exemption to dispatch whatever equipment may be needed for the emergency at hand.

IID urges CARB to apply a ZEV exemption to specialty utility emergency response vehicles where no ZEV is available, where a ZEV or NZEV has not been found to meet fleet needs, or where field fueling solutions are not available. The exemption could allow utilities to continue to operate internal combustion engine vehicles in the interim, and include a “duration” clause that requires periodic re-evaluation to accommodate evolving technology in the coming years.

Like all public agencies, IID requires a full complement of utility vehicles to be able to operate for the duration of any emergency event, however extended, remote, or distant it may be. The communities we represent depend on us, and our ability to quickly respond is dependent upon the specialty equipment in our fleet. The durable and reliable operations of these vehicles is paramount to IID’s public service mission. (Appendix B)

Conclusion

Imperial Irrigation District appreciates CARB staff’s stated willingness to understand the needs of different stakeholders, and we look forward to working collaboratively with you to ensure the proposed rule can be achieved. It is in this spirit that these comments are offered.

Sincerely,

Jennifer Goodsell
General Services Manager



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Appendix A

Figure 1: Plug-in Hybrids





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Figure 2: ePTO 37-foot Troubleshooter Bucket Truck



Figure 3: JEMS System





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Figure 4: JEMS System





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Figure 5: JEMS System





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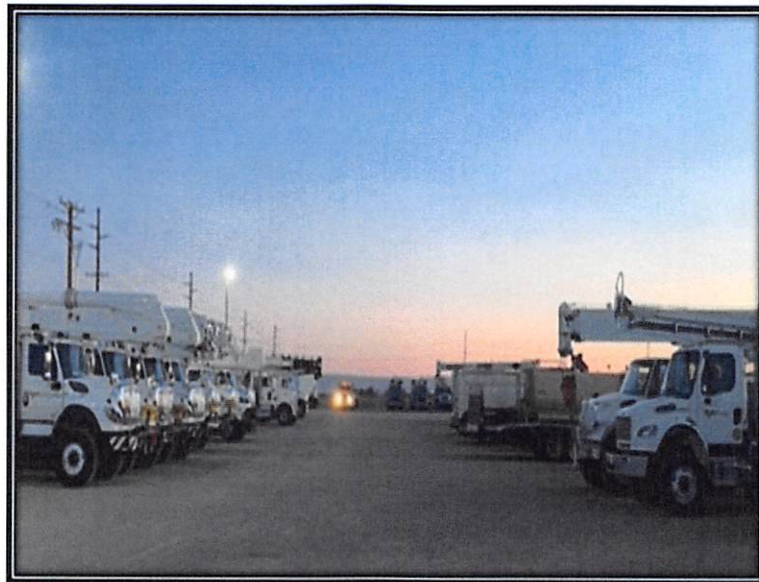
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Appendix B

Figure 1: August 2021 Storm Damage (Imperial & Riverside County)



Figure 2: Mutual Aid Assistance – August Storm Events





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Figure 3: Imperial County Storm Restoration Efforts

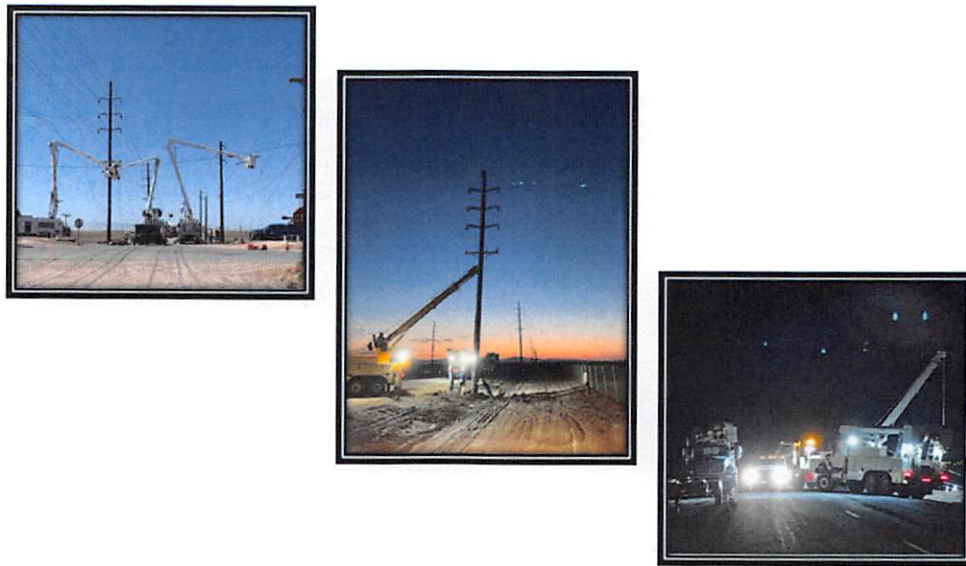


Figure 4: Riverside County Storm Restoration Efforts

