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Submitted Electronically to zevfleet@arb.ca.gov and informal comment docket

Dear Sirs:

NAFA Fleet Management Association is pleased to submit comments on the draft regulatory language for the Advanced Clean Fleets (ACF) Regulation released by the California Air Resources Board (CARB).

NAFA has more than 2,000 individual fleet manager members from corporations, universities, government agencies (federal, state, and local), utilities, and other entities that use vehicles in their operations. A significant number of NAFA members are responsible for managing fleets located or operating in California and are also members of NAFA's California Chapters – the Pacific Southwest Chapter and the Norcal-Northern Nevada Chapter.

NAFA supports the Governor's vision to accelerate the transition to electric vehicles as part of the State's strategy for sustainability and reduction of vehicle emissions. There are real-world factors, however, that will need to be addressed for transitioning private and public fleets toward full electrification. Some of these factors are the cost of acquiring EVs, availability and expenses related to recharging infrastructure, and validated mission-suitable vehicle availability.

Near-zero emission technology has been commercially demonstrated, is available today, has sufficient fueling infrastructure, and is at least 90% cleaner than new diesel trucks on NOx. When fueled by renewable natural gas, these vehicles can also provide substantial greenhouse gas emission reductions and should be incorporated into this strategy to bridge non-availability of mission-suitable ZEVs.

Fleet electrification strategies must thoroughly assess the cost, operational suitability, and availability of electric vehicles (EVs). Fleet electrification strategies must consider proven technology and development before mandating them. In its current form, the ACF proposal does not make the necessary assessments and should be substantially reworked.

Below are comments and requests for clarification on the Advanced Clean Fleets Regulation Proposed Draft Regulation Language for *Public Fleet Requirements* and *High Priority and Federal Fleet Requirements*.

Infrastructure and Grid Reliability

The proposal lacks any mention of grid stability and electricity system redundancy. NAFA recommends that CARB commission an independent entity to assess grid stability and system redundancy prior to the approval of the final rule.

Fleets are justifiably concerned about the lack of certainty regarding the cost, feasibility, and availability of adequate charging infrastructure. NAFA recommends that an independent assessment of infrastructure availability and grid reliability be conducted before the final rule is issued. NAFA further suggests that the final regulation provides for a streamlined exemption process when infrastructure is unavailable, which appropriately considers the potential cost of installation.

The proposed timelines for public fleet ZEV purchase requirements do not consider the available electrical infrastructure at service yards. The timelines also do not account for the need to collaborate with utility companies for the build-out of infrastructure to deliver the necessary amount of needed power.

One of the challenges is that scalability for on-site electric service at a fleet depot is unattainable in the proposed timeframe. While it is easy to add one to five vehicles by using available unused circuits, complete fleet conversion will require more extensive service to be brought into the property. Utilities generally charge for the service or finance the service based on usage over the first three to five years. They generally will not let a fleet operator oversize the service. How can fleets finance and accomplish these transitional steps in such a short time frame? When these increased utility service costs are accounted for in conjunction with the capital cost of the charging equipment and new vehicles, it reinforces the unattainability of the current purchase requirement timelines.

Vehicle Availability

The ACF proposes a phase-in by body type. NAFA recommends that the proposal allow for a phase-in that makes distinctions based on duty cycles in addition to body type.

NAFA acknowledges CARB's optimism that the ACF will eventually align with the Advance Clean Trucks (ACT) rule. Fleets, however, do not share your level of optimism

that vehicles in the duty cycles, as well as body types, will be available in the initial years. We fear that much of the optimism comes from media speculation and predictions of what might be available and by vendors, without actual confirmation of what vehicles will be available by a specific date.

A fleet should not be charged with confirming the availability of models/body types (of multiple weight classes and functions). NAFA recommends that CARB continuously validate both vehicle availability and production schedules through a third party and then make information on validation publicly available through the CARB website. The success of the ACF regulation depends on the vehicles being available.

Timeline

The implementation timeline for public fleets does not take into account public budget and funding methods for capital projects.

The proposed rule is expected to be adopted in Fall 2022 at the earliest, leaving 18 months for government bodies to budget and implement procurement processes to comply with 2024 purchase requirements. Also, in accordance with the government procurement processes, many NAFA members are already budgeting for purchases over the next five-year period. Increased funding that may be needed to purchase ZEVs and infrastructure may not be available through the normal budgeting process and may even require approval by local authorities or voters. A minimum of four years for large fleets and seven years for small fleets should be allowed for budgeting, infrastructure installation, and maturing of the market from date of adoption. This approach would align with the Innovative Clean Transit regulation adopted by CARB in December 2018.

Public fleets operate out of owned and leased facilities with some lease terms exceeding fifteen years. The proposed rule does address capital infrastructure project implementation timelines of five years and longer before recharging infrastructure is in place and operational in these facilities. It also does not take into consideration the timelines to remodel or construct new fleet maintenance facilities to meet NFPA and OSHA safety requirements due to the high voltages and amperages of medium/heavy duty truck electrical drivetrain systems.

NAFA recommends that any initial implementation date for public fleets be set a minimum of five years from the regulation's final adoption.

Exemptions

Emergency Response Vehicles: Public Fleet exemption for emergency response vehicles is conditioned on "More than 75 percent of the body type in the fleet are already ZEVs." The proposed exemption process will place an unreasonable burden on both public agencies and CARB staff to manage exemption applications on a vehicle-by-vehicle basis.

The proposed rule does not take into consideration the effects of Public Safety Power Shut-Off events and the inability to recharge public works and other truck types that operate 24/7 for extended periods of time during local and regional emergencies. The current definition of an emergency response vehicle is narrow in scope and only takes into account a relatively small percentage of the overall number of vehicles that are active during emergencies and disasters.

NAFA recommends that this text be removed from the rule. In its place, NAFA recommends CARB use a recognized definition of an emergency response vehicle, such as provided by the American Public Works Association.

Heavy Concrete Pumping Vehicles: NAFA recommends that heavy concrete pumping vehicles be exempt from the regulation, matching the exemption already present for heavy cranes in the proposed rule. Heavy concrete pumping trucks have similar telescoping boom structures with the addition of concrete pumps and piping, but more demanding duty cycles than cranes. A loss of power to operate the boom and pumping apparatus has significant private and public works project impacts, such as halting construction for several months.

Feasibility: NAFA recommends that CARB include an exemption process based on “feasibility.” The regulatory language on “feasibility” should incorporate vehicle availability and additional criteria, such as sufficiently available maintenance, duty cycle operation by engine hours in addition to mile traveled, warranty, and replacement, as well as sufficient charging/fueling infrastructure. We further recommend that the exemption process include an expectation of trust in fleets. As proposed, the rules suggest a lack of trust in California’s employers, including its cities and counties.

NZEVs: The public fleet purchase requirement at section 95693.1(a)(1)(C) suggests that NZEVs will be counted the same as a ZEV purchase “if a public bid is issued to purchase ZEVs and NZEVs, but no responsive bids for ZEVs were received.” Several times during the public workshops, CARB staff were asked what would happen if no bids were received for either ZEVs or NZEVs? Staff responses suggested that if a vehicle acquisition could not be made, the vehicle intended for replacement would need to remain in the fleet. Staff have also not taken into consideration vehicles that need to be replaced due to accident damage beyond repair feasibility for which no ZEV or NZEV equivalent is available, or bids are not received.

NAFA strongly recommends that the definition and criteria for “NZEVS” be expanded to include Near-zero emission technology fueled by renewable natural gas, these vehicles can also provide substantial greenhouse gas emission reductions and should serve as an acceptable purchase alternative when no response bids for ZEVS are received.

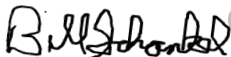
NAFA recommends that the exemption should be limited to bid responses for ZEVs and that the rule should neither encourage nor require fleets to retain older vehicles beyond their useful life.

Daily Mileage Exemption: The daily mileage exemption in the High Priority and Federal Fleet Requirements proposal is unreasonable and will not work in practice. NAFA recommends that CARB convene a workgroup to discuss a practical daily mileage exemption. The following are a few examples of the problems with this portion of the proposal:

- Section 95692(b) – a fleet owner must “demonstrate that all available ZEVs cannot meet the daily mileage needs.” How is the term “all available” to be interpreted? Is the intent that the fleet submits a request for bids to all vehicle manufacturers?
- Section 95692(b)(2) – “Show no NZEVs of the same intended function are available to purchase...” When will CARB be able to confirm the availability of NZEVs by manufacturer by duty cycle and body type? To date, CARB staff during workshops have not been able to confirm when NZEVs might be available.
- Section 95692(b)(3) – “Submit a daily mileage report for each vehicle of the same body type in the existing fleet.” This would be an extremely time-consuming requirement for the fleet manager and the CARB staff tasked with reviewing and interpreting the daily mileage report.

Thank you for providing NAFA with the opportunity to comment on the proposed regulatory language. We appreciate your consideration of the impact of the proposed requirements of the Advanced Clean Fleets Regulation on fleet operations in California.

Sincerely,



Bill Schankel
Chief Executive Officer
NAFA Fleet Management Association

Cc: Bradley Northrup, CAFM, Chair, Pacific Southwest Chapter, NAFA
Jimm Vosburgh, CAFM, Chair, NorCal-Northern Nevada Chapter, NAFA