

April 7, 2023

Liane Randolph, Chair
California Air Resources Board
1001 “I” Street
Sacramento, CA 95814

RE: 15-Day Changes to the Proposed Advanced Clean Fleets Regulation

Pacific Gas and Electric Company (PG&E) appreciates this opportunity to comment in response to the California Air Resources Board’s (CARB) release of modifications to the proposed Advanced Clean Fleets (ACF) Regulation for a 15-day public comment period (“15-day changes”). As an electric and natural gas investor-owned utility (IOU), PG&E is impacted by this draft rule as both the owner of a large fleet of vehicles that would be subject to the ACF requirements, and as a key enabler of the transition to cleaner technologies by our customers through deployment of infrastructure, rates and programs. PG&E offers the following comments with this perspective in mind and in support of the goal of the ACF regulation to decarbonize a crucial component of the transportation sector which contributes the majority of greenhouse gas and air quality pollutants in the state.

CARB and regulated parties are faced with a difficult task in trying to balance the State’s ambitious and necessary climate and air quality goals with the critical operational, technological and economic realities that must be accommodated while making this transition to zero-emission vehicles (ZEVs). The aggressive timeline and extensive scope for transforming California’s major fleets is a significant challenge which demands the best possible regulation as the roadmap to success. Some of the proposed modifications in the 15-day changes move the ACF rule closer to this objective, but many challenges to successful implementation still remain and need to be addressed.

PG&E appreciates staff’s changes to include a ZEV Infrastructure Site Electrification Delay up to five years, the addition of an exemption for non-repairable vehicles and the ability for High Priority and Federal Fleets to switch between compliance pathways. These changes add important flexibility in the ACF to help fleets comply with the regulations while attempting to meet their operational needs and dealing with situations beyond their control.

Critically however, even some of these positive additions as well as other aspects of the regulation still need to be further modified to fulfill their intended purpose. PG&E offers the

following short list of recommendations to further improve the ACF rule in a few key areas. We request the Board direct staff in the Board Resolution to make the following changes in subsequent 15-day changes:

- To prevent interruption to public safety and welfare, the regulation should provide additional flexibility for Providers of Essential Public Services (PEPS). The existing Mutual Aid and Declared Emergency Response exemptions do not acknowledge the wide range of emergency situations that PEPS must respond to which fall short of a full-scale Declared Emergency and do not involve mutual aid, but are nonetheless critical for affected customers. See below for suggestions.
- The Infrastructure Site Electrification Exemption should include a pathway to allow for uncommon, but possible situations where full site electrification could take longer than five years.
- The ZEV Purchase Exemption Application process should include an opportunity for fleets to respond to CARB if the public engagement process identifies a manufacturer or authorized dealer that offers for sale a ZEV or NZEV they claim meet's the fleets needs.
- The Non-Repairable Vehicle Exemption should include breakdown of the engine "or" the vehicle, and allow both new and used vehicles to replace broken vehicles.
- The definition of "common ownership and control" should only apply to contractors that do work for one year or more, to eliminate confusion about short term or "one-off contractors".

To help address the varied needs of PEPS fleets, PG&E offers the following suggestions:

1. Modify the Mutual Aid provision to cover both fleets that have mutual aid agreements as well as those that provide essential public services. PEPS can be defined as they are in CARB's Portable Equipment Registration Program:
 - a. "Essential public service" means a service provided to the general public to protect the public health and safety or the environment.
 - b. "Provider of Essential Public Service (PEPS)" means any privately-owned corporation or public agency whose primary purpose is to own, operate, control, or manage an essential public service as determined by the Executive Officer. PEPS include: (1) electrical corporations as defined by Public Utilities Code, section 218; (2) electric service providers as defined by Public Utilities Code, section 218.3; (3) fire departments; (4) gas corporations as defined by Public Utilities Code, section 222; (5) hospitals that provide trauma services; (6) irrigation districts formed pursuant to the Irrigation District Law, Water Code division 11, commencing with section 20500; (7) public water systems as defined in California Health & Safety Code section 116275(h); (8) publicly owned treatment works as defined in 40 CFR Part 403.3(q); (9) joint powers authorities that include one or more of the public agencies identified in this definition; (10) municipal utility districts formed pursuant to The Municipal Utility District Act, Public Utilities Code, division 6, commencing with section 11501; (11)

municipalities or municipal corporations operating as a “public utility” as provided in Public Utilities Code, section 10001; (12) police departments; (13) prisons and detention facilities; 8 (14) public utility districts formed pursuant to the Public Utility District Act, Public Utilities Code, division 7, commencing with Section 15501; (15) public transportation and transit systems; (16) sewer system corporations as defined by Public Utilities Code, section 230.6; (17) telegraph corporations, as defined by Public Utilities Code, section 236; (18) telephone corporations, as defined by Public Utilities Code, section 234; (19) railroads and street railroads, as defined by Public Utilities Code, section 229; (20) municipal solid waste landfills, as defined in 40 Code of Federal Regulations section 258.2; (21) services for handling, as defined in Public Resources Code, section 40195, municipal solid waste, with the exception of converting solid waste and treating and reconstituting materials as part of recycling, as that term is defined in Public Resources Code Section 40180; (22) transfer stations, as defined in Public Resources Code, section 40200, with the exception of facilities utilized to convert solid waste; and (23) sewer systems as defined in Public Utilities Code, section 230.5; (24) commercial air operators as defined in Public Utilities Code, section 5500. PEPS do not include their contractors.

2. Modify the exemption for Declared Emergency Events to also include “emergency operations”. The following definition from CARB’s Regulation for In-Use Off-Road Diesel-Fueled Fleets can be utilized:
 - a. “Emergency operation” means:
 - (A) Any activity for a project conducted during emergency, life threatening situations, where a sudden, unexpected occurrence that poses a clear and imminent danger, requiring immediate action to prevent or mitigate the loss or impairment of life, health, property, or an essential public service; or in conjunction with any officially declared disaster or state of emergency, as declared by an authorized health officer, agricultural commissioner, fire protection officer, or other authorized health officer,
 - (B) Any activity for a project conducted by essential service utilities to provide electricity, natural gas, telephone, water, or sewer during periods of service outages and emergency, or
 - (C) Operations including repairing or preventing damage to roads, buildings, terrain, and infrastructure as a result of an earthquake, flood, storm, fire, other infrequent act of nature, or terrorism. Routine maintenance or construction to prevent public health risks does not constitute emergency operations

These changes should help ensure that PEPS can continue to provide essential services during the transition period to full ZEVs. These are temporary exemptions that will no longer be needed once ZEV infrastructure and technology are fully developed enough to reliably replace all ICE vehicles.

For more specific recommendations and additional areas in need of improvement, please refer to the written comments from the California Council on Economic and Environmental Balance (CCEEB) and the California Electric Transportation Coalition (CalETC).

PG&E appreciates CARB's consideration of these recommendations and stands ready to work with CARB and fleet owners to help transition the State's medium- and heavy-duty fleets to zero-emission.

Sincerely,

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Pacific Gas & Electric