CalETC
California Electric Transportation Coalition

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California Air Resources Board
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Submitted via email and CARB's Online Portal:
https://www.arb.ca.gov/lispub/comm2/bcsubform.php?listname=acf-comments-ws&comm_period=1

Re: Comments on the Second Draft of the Advanced Clean Fleets Proposed Regulation Language

The California Electric Transportation Coalition (CalETC) appreciates the opportunity to provide feedback on the second draft of the Advanced Clean Fleets Proposed Regulation Language (ACF Rule or draft rule). We greatly appreciate the time and effort it took to organize the workshops and prepare the draft rule, and CARB staff's dedication to this landmark regulation.

CalETC supports and advocates for the transition to a zero-emission transportation future to spur economic growth, fuel diversity and energy independence, contribute to clean air, and combat climate change. CalETC is a non-profit association committed to the successful introduction and large-scale deployment of all forms of electric transportation. Our Board of Directors includes representatives from: Los Angeles Department of Water and Power, Pacific Gas and Electric, Sacramento Municipal Utility District, San Diego Gas and Electric, Southern California Edison, Southern California Public Power Authority, and the Northern California Power Agency. In addition to electric utilities, our membership includes major automakers, manufacturers of zero-emission trucks and buses, electric vehicle charging providers, autonomous electric vehicle fleet operators, and other industry leaders supporting transportation electrification.

Support for the Advanced Clean Fleets Rule

CalETC supports the ACF Rule and California's commitment to transition the state's medium- and heavy-duty (MHD) fleet to zero-emission vehicles (ZEV). The ACF rule is a vital component of the state's efforts to rapidly accelerate the on-road truck fleet to zero-emission. Without a strong ACF Rule to balance the Advanced Clean Trucks Rule (ACT Rule), and vice versa, neither is likely to succeed. These rules must be accompanied by an acceleration in the build out of public and private fueling infrastructure to support zero-emission trucks.

CalETC commends CARB staff on the second draft of the ACF Rule. The changes take a step towards providing the flexibility fleets need in the transition to ZE trucks, especially for small and medium sized fleets who need their vehicles to perform specialized duty cycles and be versatile enough to serve a wide range of functions. This is especially true for public fleets that face the additional challenge of

ensuring that their fleet electrification purchases comply with public agency procurement processes. We greatly appreciate that CARB staff continues to work closely with public fleets to tailor the Public Fleet Requirements to fit with public procurement processes and give public fleets the opportunity to electrify their fleets as fast as possible. We make the following recommendations in the spirit of further improving the rule and ensuring that both the ACF and ACT Rules are a success.

Remove the "Public Funds" Restriction

CalETC recommends removing the "Public Funds" restriction from both the High Priority Fleet Requirements and Public Fleet Requirements that excludes vehicles acquired with public funds. The "Public Funds" restriction states that the "California State-provided incentive funding program guidelines" specify that a vehicle acquired with public funds cannot be used to count toward determining compliance with the ACF Rule, which is a reference to the Hybrid and Zero-Emission Truck and Bus Voucher Incentive Program (HVIP) guidelines. This provision is unnecessary and should be removed. Removal of this provision does not preclude the HVIP program guidelines from specifying whether vehicles receiving a voucher can count towards the ACF Rule.

ZEV Unavailability Exemption and Commercial Availability List

CalETC supports the inclusion of the ZEV unavailability exemption and commercial availability list. This will provide critical information to fleets about the ZE truck market. We recommend removing the blanket exemption of pickups, buses, box trucks, vans, or tractors because these categories are very broad and may overlap with vehicles that are not commercially available. We also recommend removing the requirement from the exemption that there is no ZEV or NZEV powertrain conversion available because the high cost of a powertrain conversion could make it infeasible for a fleet to purchase the corresponding ICE vehicle and pay for conversion. Additionally, there are no metrics to determine whether a converted vehicle could meet the duty cycle needed by a fleet for that particular truck class or body type.

Instead of creating a list of trucks that are unavailable, we recommend the ZEV unavailability exemption be based on a list of ZE trucks that are available. We recommend the list of available trucks that have met the definition of commercially available be based on the trucks that CARB and CALSTART have determined are available in the HVIP incentive program. The HVIP eligibility criteria are rigorous and, for example, require a minimum warranty and a vehicle service center in California. The availability list should not be limited to trucks that can receive an HVIP voucher, but the process for determining availability should be similar and can dovetail with the staff and resources that make these determinations. Whether CARB decides to create an availability or unavailability list, we recommend that CARB incorporate a public review process to provide transparency and allow stakeholders to weigh in on commercial availability.

We recommend that CARB define commercial availability by using the assessment for market readiness developed by CALSTART for the HVIP program and used to inform CARB's Long-Term Heavy-Duty Investment Strategy. This assessment uses technology status snapshots and market readiness

indicators to create a wholistic picture of commercial availability that is well suited for the ACF Rule.[1] Applying CALSTART's market readiness assessment would be an efficient use of CARB's established process and resources directed at advancing clean transportation technology.

If CARB decides to create its own definition of commercial availability, we recommend each GVWR class and body type be evaluated by a defined set of metrics, including but not limited to 1) market availability and 2) truck characteristics. First, market availability should include an analysis of whether the truck is being produced by multiple manufacturers and whether there are trucks available for purchase. These two criteria must be met because even if a company is making the truck, a fleet cannot purchase the ZEV if the company is sold out or otherwise not accepting purchase orders. This category should also require that a minimum of 3 manufacturers are producing competing models, but we recognize that in this nascent market fewer manufacturers may be acceptable. A diversity of manufacturers ensures that the vehicles can be serviced, warrantied, or replaced throughout their lifetimes. If there are less than three manufacturers in the market, and one or both manufacturers goes out of business, then a fleet has limited recourse should a service, manufacturing, or warranty issue arise with the ZE truck. We also recommend this category include a review of the truck's economic viability. Economic viability can include "achievement of TCO parity with the conventional alternative; lower incremental purchase cost compared to the conventional alternative; and lower indirect/replacement/transition costs from changing technology."[2]

The second category should consider the characteristics of the truck that would determine if it is fit for use by a specific fleet. These characteristics include, but are not limited to, the vehicle range (including range while towing or using auxiliary functions in the field that would reduce milage), duty cycle considerations, and cost, both with and without incentives. Again, we recommend that the commercial availability determination include a public review process so that stakeholders can provide information and learn about ZE truck market.

Recommendations for Other Exemptions and Flexibility

- The **mutual aid assistance** exemption requires a fleet to have already converted 75% of the fleet to ZEV before accessing this exemption. However, it will take fleets years to build up to the 75% threshold. Additionally, utility and public fleets with challenging service areas or smaller fleet sizes may require greater than 25% of the fleet to be dispatched for emergency response and mutual aid. We recommend a process for such fleets to submit a waiver to request an alternative threshold or we recommend the rules phase in the threshold up to 75% over time.
- The **mutual aid assistance** exemption requires the emergency be a "declared emergency" by the state. Fleets will need more flexibility to respond to local emergencies that do not

[1] CALSTART and CARB, *Methods for Assessing Technology and Market Readiness for Clean Commercial Transportation*. Available at: https://calstart.org/wp-content/uploads/2022/04/Assessing-Technology-and-Market-Readiness_April-2022.pdf

[2] See CALSTART and CARB, *Methods for Assessing Technology and Market Readiness for Clean Commercial Transportation*, p. 10 (above).

rise to the level of a state declared emergency, and the existence of a mutual aid agreement is enough to ensure that a fleet will be using its vehicles for the specific use of providing aid. Therefore, we recommend removing the requirement that the emergency be "declared" by the state and base the exemption on the existence of a mutual aid agreement.

- The infrastructure construction delay exemption is limited to one year. We recommend including an option for a fleet to show cause for an additional extension. Given that large utility-side infrastructure upgrades can take longer than a year, it may be necessary for a fleet to receive an extension that surpasses one year. For example, 5-10 MW projects can take up to two years or sometimes longer. Therefore, we recommend providing a pathway for a fleet to show cause and receive additional time to install infrastructure.
- Finally, we recommend the Public Fleet Requirements include an option for public fleets to voluntarily opt-in to the High Priority Fleet Requirements Flexibility Option to meet fleet ZEV Milestones should public fleets prefer this compliance option.

Calculating the Purchase Requirements

Calculating the purchase requirement for ZEVs and the effect of the exemptions should be predictable. We recommend CARB create examples of how a fleet would comply if it qualified for an exemption and different combinations thereof. It is our understanding that if a fleet qualifies for an exemption, it will reduce the number of ZEVs the fleet is required to buy and give the fleet the option to purchase an ICE vehicle or delay the purchase until a ZEV is available. This will give businesses and public agencies consistency and predictability for budgeting and planning purposes. For example, under the Public Fleet Rule in a county that is not a designated low population county, starting January 1, 2024, 50% of the total vehicles added to the fleet must be ZEV. If a fleet were adding 10 vehicles, then 5 must be ZEV. If 3 of the 5 ZEV vehicles qualify for the unavailability exemption, then the fleet would purchase 2 ZEVs and could purchase up to 8 ICE vehicles or delay 3 purchases until ZEVs were available. Providing examples will be especially useful for showing how to meet the mutual aid assistance exemption. For instance, when a fleet receives a different exemption, it should not count against meeting the minimum ZEV threshold for meeting the mutual aid assistance exemption.

Include ePTOs in the ACF Rule

We also recommend that through 2027, the definition of NZEV include use of an electric power take-off device (ePTO). Alternatively, when a fleet qualifies for an exemption, qualifying vehicles that use a PTO device should be required to be replaced with an ePTO so that the vehicles are ZE when using their auxiliary functions in the field. Emissions from these auxiliary functions often meet or exceed the driving emissions during operation of the vehicle. Reducing emissions is key for trucks that have auxiliary functions, and these auxiliary functions can be zero-emission now.

Require Annual Reporting

Finally, we recommend folding the reporting requirements for changes to the existing fleet into the annual reporting requirements. This will streamline reporting and ease the administrative burden on fleets and CARB staff, while still providing all the necessary information CARB needs to determine compliance with the regulation.

Thank you for your consideration and CalETC looks forward to continue working with the CARB staff and board members on the proposed ACF regulation.

Regards,

Kristian Corby, Deputy Executive Director
California Electric Transportation Coalition