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Re: Association of California Water Agencies and California Association of Sanitation Agencies Comments on Proposed Clean Fleets Rule

The Association of California Water Agencies (ACWA) and California Association of Sanitation Agencies (CASA) appreciate the opportunity to provide public comments to the California Air Resources Board (CARB) in response to the recent March 2 and 4 public workshops on the Proposed Advanced Clean Fleets Rule (Proposed Rule). We applaud staff for all the hard work thus far. ACWA represents more than 450 public water agencies that collectively deliver approximately 90 percent of the water in California for domestic, agricultural, and industrial uses. CASA represents over 125 public wastewater agencies that collectively serve over 90 percent of the sewered population of California, as well as engaging in advancing the recycling of wastewater into usable water, as well as the generation and use of renewable energy, biosolids, and other valuable resources.

As essential public service providers and fellow dedicated resource stewards, ACWA and CASA members provide reliable water and wastewater services that protect public health and the environment. Specific comments are provided below describing our support for, as well as our concerns and recommendations related to, the Proposed Rule related to public fleets for your consideration:

1. **The Proposed Rule must ensure water and wastewater agencies can maintain critical public services.**

ACWA and CASA members are public, local agencies that are responsible for the majority of water delivered and wastewater treated in California. Water and wastewater agencies have a long history and outstanding track record of participating in the development of the State's energy programs and are well-positioned to help the State meet its clean vehicle goals. That said, our members collectively have concerns that achieving compliance with this Proposed Rule

could challenge water and wastewater agencies' ability to reliably maintain core functions and levels of service for delivering and treating water, as well as meet increasingly frequent mutual aid demands during emergency responses to natural disasters and other emergencies.

ACWA and CASA's concerns are largely due the uncertainty that water and wastewater agencies' unique vehicle specifications needs can be met within the proposed timeline and the significant infrastructure investments required to support ZEVs. Our members operate diverse fleets that consist predominantly of medium-and heavy-duty vocational trucks that perform maintenance and repair operations and require unique specifications. Water and wastewater specialty vehicles include, but are not limited to, hammer, vector, maintenance/construction service trucks, stake trucks with cranes, water filtration trucks, dump trucks, hydro-excavator and vacuum trucks, mobile crane trucks, water trucks, and stake bed trucks. Some vehicles are required to travel long distances and on rough terrain, and could include extended operation of auxiliary equipment via power-take off devices (PTO) at project sites. CARB should consider the fuel/energy required to travel to worksites, the energy required to operate for long periods of time while at worksites and the need for certain trucks to be outfitted with equipment such as PTO devices. Vehicles may tow heavy equipment such as generators, compressors or pumps, perform welding operations, support a variety of PTO driven equipment, power onboard welding machines and air compressors, and other tasks that require long duty cycles. Furthermore, vehicles must keep up with rapidly changing weather patterns and could act as shelter for workers during extended repair projects or emergency situations.

ACWA and CASA encourage CARB to provide the necessary flexibility and exemptions to ensure that the Proposed Rule does not impose unintended consequences of limiting water and wastewater systems' ability to reliably treat and deliver water, and hope that the exemption process acknowledges when eligible models are unavailable for purchase due to oversubscription. We are concerned that replacement ZEVs will not meet our duty-cycle specifications for use or will be available to our sectors within the timeline being targeted, nor will the needed supporting vehicle charging infrastructure be in place in the remote locations our sectors must service. We align with the comments made by the Specialty Vehicle Coalition on specialty vehicle uses.

A few specific examples of these concerns are identified in examples below:

- Emergency response from utility providers is not limited to natural disasters, but can occur from downed power lines, ruptured pipelines or other instances that are frequently caused by a third party. It is critical to have vehicles capable of responding immediately in any geographic location that can perform or aid in the repair to the infrastructure.
- When considering replacement of their construction related trucks, members need trucks to be capable of traversing steep hills fully loaded with dirt, pulling either backhoes or drilling rigs, and holding fuel or charge long enough to be in the field for multiple days– without refueling or having access to electric charging infrastructure.
- Members have expressed concern on the need to have a "try before you buy" period from ZEV manufacturers. This would allow the purchaser sufficient time to fully test ZEV

specialty vehicles on varying road conditions, remote location reliability, and extended duty cycle capabilities.

2. Develop an exemption process that enables a feasible adoption timeline to achieve state goals.

ACWA and CASA member agencies support the long-term goal of this Proposed Rule and are working to electrify fleets where operational needs can be feasibly met by available truck options. However, ACWA and CASA recommend the development of an exemption process that considers the challenges public fleets will face as they carry out core functions of critical water and wastewater services. This exemption pathway should consider specialty vehicle availability, cost of replacement, charging infrastructure and grid accessibility and reliability, and the ability to maintain core services and mutual aid during and following natural disasters. ACWA and CASA have concerns about the proposed timeline relative to existing assets with remaining useful life and responsible use of public funds.

CARB discussed the development of an exemption process during the March 2 and 4 workshops. An exemption process should enable the adoption of clean vehicles where it is feasible, while establishing a pathway for fleets that do not yet have ZEVs available to meet unique needs. CARB should develop a stakeholder-informed exemption process that considers the challenges public fleets will face as they work to carry out core functions of critical water and wastewater services. We align with the comments made by the Specialty Vehicle Coalition on an exemption process. We will discuss these items in more detail below.

3. ACWA and CASA support the normal replacement cycle of vehicles within public fleets and a delayed start date for low population counties (2027), as proposed.

The focus of the Proposed Rule on new additions only to public fleets and giving a delayed start for low population counties provides some necessary flexibility for vehicle fleet planning, which requires analyzing feasibility, cost, location and timing of new acquisitions. Members have mentioned concern about the limited availability of vehicle stock from manufacturers due to the high demand of many public and private entities competing to comply with the Proposed Rule. On a related noted, public fleets should not be penalized for being outbid by higher-resourced entities and then being unable to comply with the Proposed Rule. We think that focusing on a normal replacement cycle will help mitigate some member concerns regarding the potential infeasibility of replacing current public fleet vehicles (that have remaining useful vehicle life) with new, more costly ZEVs that may not operate at, or above, the performance of traditional internal combustion vehicles. The delayed start time for lower population counties is a welcome approach for smaller agencies. By providing fleet owners and operators a flexible and more realistic fleet transition schedule, there is a higher likelihood that this fleet turnover schedule may parallel the speed to develop charging infrastructure, particularly in remote locations that will require more time to fully construct.

4. ACWA and CASA encourage and support an on-ramp schedule allowing near zero-emission vehicles (NZEVs) to be purchased through 2035.

ACWA and CASA support the proposed on-ramp schedule allowing NZEVs to be purchased through 2035 to give essential public service providers, like ACWA and CASA members, certainty for planning and decision-making. As previously noted, our members remain concerned that ZEV specialty vehicles may not be widely available and capable of meeting water and wastewater agencies' specialty vehicle needs within the timeline of the Proposed Rule.

Additionally, members note concerns with the prospect of purchasing multiple vehicles in order to replace an existing specialty vehicle without a guarantee of meeting operational needs. As drafted, the on-ramp schedule enabling NZEV purchases through 2035, alongside an exemption process, could help mitigate these concerns and avoid higher costs to public water and wastewater agencies.

5. The regulatory timeline should provide adequate time for necessary investments in charging infrastructure prior to complete conversion to ZEVs.

The addition of ZEVs to public fleets requires that the necessary charging infrastructure be procured to fuel ZEVs be in place prior to converting the fleets. The transition to the necessary charging infrastructure offers a unique set of challenges. For example, water and wastewater agencies may sometimes find a need to charge more vehicles than there are ports available for charging at agency facilities. This scenario would require fleets finding open charging stations elsewhere, which may not be widely accessible or available. Clogging up off-site charging stations could then impose wait times onto other community members who need to charge their vehicles as well.

Also, CARB should consider the demand for installing charging stations, both for the general public and for fleets, to ensure that the Proposed Rule's timeline can be met. This consideration should include materials and qualified labor to build the necessary charging infrastructure as well.

Additionally, ZEVs require a reliable electric grid that can handle the additional load of fleet charging needs. Public safety power shutoffs (PSPS) and other unplanned events could interrupt electric load which will challenge public water and wastewater agencies' ability to maintain critical services and be able to respond during emergencies. Reliance upon backup power reserves has been explored in recent regulatory proceedings and underscores the challenges of electrification for public agencies often at the behest of load serving entities who have competing priorities to prevent wildfires.

Some specific examples offered by water and wastewater agencies with these concerns include:

- Feasibility of relying upon more ZEVs without adding additional charging infrastructure and PSPS events that turn the power off within their service territory.
- Regulatory requirements for ZEVs that will require procurement of additional charging infrastructure and the resulting cost of design, construction, installation and permitting. Furthermore, the infrastructure installation could result in property easements that would require additional contract costs.

- Travel time lost to locate available chargers in rural areas could delay emergency response.
- Charging schedule requirements and resulting demand fee charges imposed could severely impact budgets with no tools available to public agencies to assess the economic impact.
- Mobile, quick charging technology is currently not available to recharge ZEVs deployed to remote locations.

6. Cost considerations should be included as part of the exemption process.

ACWA and CASA request that cost considerations for publicly funded essential services be included as part of the exemption process. This request is consistent with public comments raised at the March 2 and 4 workshops that suggested including cost as a consideration for enabling public fleets to seek a longer time horizon for adopting cleaner vehicles. The high capital cost of procuring cleaner vehicles is passed on to water and wastewater customers. Public water and wastewater agencies will have to balance this cost with other needed investments due to climate-related changes in hydrology, aging infrastructure and needed repairs and maintenance, population growth and funding constraints. Additionally, the COVID-19 pandemic is creating significant financial impacts on California's water systems. The State Water Resources Control Board estimates at least $600 million in customer drinking water debt. CARB should ensure that associated costs of the Proposed Rule consider and provide flexibility to essential public services regarding cost and implementation. We align with the comments made by the Specialty Vehicle Coalition on capital costs and total cost of ownership.

7. Encourage developing a pathway for early action credits to provide public fleets with options to flexibly manage the overall purchases of zero emission vehicles.

ACWA and CASA recommend that CARB include a provision in the Proposed Rule to recognize fleets that take early action to purchase an increased percentage of zero emission vehicles beyond the compliance requirements. Such an approach has been taken in the existing CARB Truck and Bus Regulation (Title 13 CCR § 2025 (j)). For example, if an agency purchased 70% of ZEV 2024-2026 model year vehicles during the first phase of requirements (e.g., 20% beyond the required 50%), the 20% could be used to reduce the required 100 percent of 2027 and newer model years to be purchased (e.g., only 80% of 2027 and newer model years would be required to be ZEVs).

Such early action credit can provide public fleets with increased flexibility to manage their longer-term purchases and allow additional time for the vehicle technologies to mature and demonstrate feasibility for public fleet operational needs. An additional consideration could be providing early action credit for public fleets that downsize (i.e., eliminate a diesel vehicle without replacement at all).

We appreciate the opportunity to comment on this very important rulemaking and look forward to a continued conversation on this Proposed Rulemaking. Please do not hesitate to contact us at nickb@acwa.com or (916) 441-4545, and SDeslauriers@carollo.com or (925) 705-6404 if you have any questions regarding ACWA's and CASA's input.

Sincerely,

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