



Rental | Leasing | Logistics

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Cari Anderson
Chief, Freight Transport Branch
California Air Resources Board
1001 I Street
Sacramento, CA 95814

RE: Comments on Proposed Amendments to the Transport Refrigeration Units (TRU) Fleets Regulation

Dear Ms. Anderson:

Thank you for the opportunity to provide comments on the California Air Resources Board's (CARB) proposed Amendments to the Airborne Toxic Control Measure for In-Use Diesel-Fueled Transport Refrigeration Units (TRU) and TRU Generator Sets, and Facilities Where TRUs Operate. Penske Truck Leasing Co., L.P. ("Penske") is a nationwide leader in low-emission transportation and has made a company-wide commitment to a comprehensive transition to zero emission vehicles and technologies.

As one of the nation's leading transportation solutions providers, Penske shares CARB's zero-emission goals. Our commitment to a shift to zero emission transportation technology is reflected by our investment, over the last four years, in multiple medium and heavy-duty electrification demonstration and deployment projects. We consistently evaluate and test emerging zero-emission equipment technologies, working with our vehicle, TRU, and facility vendors to adopt the latest and lowest emission technologies. These projects have afforded Penske with invaluable experience working with CARB, California utilities, major vehicle OEM (including startups), charging infrastructure manufacturers and developers, battery providers, and customers in the deployment and operation of new battery-electric transportation services across the entire supply chain.

Because of our extensive experience and broad customer lease base, we are uniquely positioned to serve as a partner for fleets that need to assess and implement zero- and low-emission TRU technology solutions. We are therefore very supportive of the revisions in the Proposed Amendments that align owner and reporting responsibilities to the long-term lease holder, in line with real-world lease contracts and other CARB regulations. We are also pleased to see the extension of the manufacturer delay from four to six months, given that zero-emission truck TRUs remain an emerging technology that, by and large, have not been tested, and manufactured, and therefore delays may be a significant factor in early year project rollouts. Also, it's important to note that the component and chip shortage has pushed out the ability of manufacturers to build and test TRU vehicles.

While we are deeply appreciative of the substantive improvements that have been made to this rule over the past few weeks, there are still a few areas that remain that we strongly believe could use additional consideration. First, we are concerned around the ability of companies, such as Penske, that offer short-term rental trucks with TRUs for hire, to monitor how and whether customers will operate our for-hire fleet across state lines. While we can control the technologies we assign and offer for hire in our “California-based TRU” fleet, we cannot control how short-term rental customers may use non-California-based TRUs within the state of California. As the lessor, Penske has no control over operations but would retain all the liability for vehicles that cross state lines.

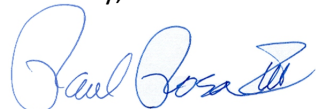
Nationwide, Penske owns thousands of TRUs for use in short-term rentals, of which many are domiciled in California. However, the actual number of TRUs that have the potential to operate in California is highly variable and depends on our customers’ fluctuating business needs. Like vacation car rentals, truck rentals can originate from and end up in any of our over 2,700 nationwide company-owned and agent locations, often with changes that are unplanned. For example, someone renting a TRU for seasonal produce deliveries may rent a truck in Arizona and make deliveries in California. That truck may remain in California for hours or days, without any input or control from Penske. While the company can be responsible for disclosures upon renting a TRU to a rental customer, we believe the rule would be strengthened by providing a compliance exemption for non-California-based TRUs in a short-term rental fleet that operate within the state of California for a period of time.

ZE Truck TRU Dates	12/31/2023	12/31/2024	12/31/2025	12/31/2026	12/31/2027	12/31/2028	12/31/2029	N/A	N/A	N/A	N/A	N/A
ACF Dates	N/A	1/1/2025	1/1/2026	1/1/2027	1/1/2028	12/31/2028	12/31/2029	12/31/2030	12/31/2031	12/31/2032	12/31/2033	12/31/2034
ZE Truck TRU Turnover	15%	30%	45%	60%	75%	90%	100%					
ACF ZE Turnover (Vans & Box Trucks)		10%			25%			50%		75%		100%

Our other primary concern relates to how the zero-emission truck TRU turnover timelines are misaligned with the proposed Advanced Clean Fleets (ACF) turnover timelines (see the table below). Both rules are seeking to effectively transition the same equipment, since the ACF vans and box trucks are the vehicles with truck-integrated TRUs, and the proposed zero-emission TRUs cannot be charged with power from internal combustion engines. Penske would prefer to comply with both rules in tandem, as they impact the same vehicles, and yet we are concerned that integrated product will not be available or meet the combined range + energy needs for refrigerated vans and trucks, particularly on the ZE TRU turnover timelines. The TRU rule requires 15% ZE turnover in 2023, prior to any known availability or ability to test and vet integrated zero emission truck-with-TRU products. We are therefore requesting explicit allowances under the “Compliance Extension Based on Unavailability of Compliance Technology” that considers the full zero-emission van or truck as part of the truck TRU rule, enabling fleets to better plan and concurrently implement their Truck TRU and ACF turnover plans.

Penske has and will continue to partner with state regulators, local agencies, and fleets throughout California to implement zero-emission TRU and truck projects. We believe our experience will support CARB’s goals by enabling more rapid rollouts of ZE TRUs via lower-risk leasing, maintenance, outsourcing, and charging efforts. These market-leading efforts will also help define and refine secondary market pathways, residual value calculations, and long-term maintenance planning. Thank you for this opportunity to contribute to the development of a successful TRU rule. We look forward to engaging with CARB on the issues raised herein.

Sincerely,



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