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October 14, 2022

The Honorable Liane Randolph October 17, 2022 Chair, California Air Resources Board 1001 I Street Sacramento, CA 95814

## **RE: Proposed Advanced Clean Fleets Regulation**

Dear Chair Randolph:

As Vice President of Legal and Government Affairs at Hexagon Agility, Inc. ("Hexagon Agility"), I am writing to provide comments on the California Air Resources Board's ("CARB") proposed Advanced Clean Fleets Regulation ("ACF"). While Hexagon Agility supports CARB's leadership on environmental matters, we are concerned that the current proposed ACF could result in a significant missed opportunity to reduce greenhouse gases ("GHG") by failing to include vehicles powered by renewable natural gas ("RNG") within the scope of the ACF and only allowing utilization of g electric and fuel cell vehicles to satisfy the ACF requirements. Further, Hexagon Agility encourages CARB to not ignore the role that RNG can play in delivering steep carbon reduction.

As background, Hexagon Agility is the leading global provider of highly engineered and cost-effective compressed natural gas, liquid natural gas and propane fuel systems and Type 4 composite cylinders for medium- and heavy-duty commercial vehicles. Our solutions enable the safe and effective use of natural gas and propane as transportation fuels. These clean fuels reduce GHG and other harmful emissions and save money for fleet operators and their customers. Additionally, Hexagon Purus, a Hexagon Agility affiliate, is a world leading provider of complete vehicle systems and battery packs for hydrogen fuel cell electric and battery electric vehicles including hybrid mobility applications on light, medium, and heavy-duty vehicles, transit buses, ground storage, distribution, maritime, rail, and aerospace.

Hexagon Agility is uniquely situated to offer a neutral prospective on the current clean-energy marketplace. RNG-fueled trucks remain the most widely available option to reduce GHG and NOx emissions and including this near-zero technology in the ACF would make an immediate impact on GHG emissions in our state. RNG technologies are 90 percent cleaner than diesel and, unlike the lack of commercially available electric and fuel cell trucks, RNG fuel systems are readily available to help achieve NOx and toxic emissions reduction goals. While we look forward to the ultimate transition to zero emission vehicles, Hexagon Agility advises CARB to acknowledge the real, legal, and technical impediments present on the proposed ACF rulemaking and further urges CARB to take the below concerns into consideration.

- Hexagon Agility has concerns regarding the appropriateness of the U.S. Environmental Protection Agency ("EPA") granting a section 209 waiver for fleet mandates, and doubt that such a mandate will survive a challenge by impacted businesses. A reasonable interpretation of section 209(b) does not give California authority to regulate fleet purchases. And, even if it does extend to fleet requirements, the authority is not unchecked by the Clean Air Act and the Energy Policy Act of 1992.
- 2. The ACF implicitly mandates that fleets install infrastructure. As the ISOR and regulation is currently stated, it presumes that CARB has the legal authority to mandate fleets install fueling infrastructure; that fleets have the necessary footprint to accommodate fueling\charging infrastructure; and that the nearby electrical infrastructure can support medium- and heavy-duty trucks congregated at these locations. The rule accommodates delays but does not set out the legal authority that CARB is basing its presumed authority to mandate that fleets install fueling.

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- 3. The ACF does not provide exemption for costs. If the estimates are off, then fleets should be able to request an exemption to be consistent with the Clean Air Act's theme of technology being feasible and cost-effective.
- 4. The ACF should allow fleets that have invested in low-carbon fuels to continue to use these fuels and low-NOx technology so long as such fuels continue to be available for purchase. We urge CARB to allow a separate pathway for early adopter fleets that have been purchasing low-NOx natural gas vehicles and using low-carbon, RNG so that they can continue to do so, so long as they can demonstrate that RNG is still available and effective.

Accordingly, Hexagon Agility encourages CARB to incorporate the recommended changes that we and many other organizations have put forward to improve the ACF. We appreciate your consideration of the foregoing comments.

Sincerely,

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Ashley Remillard Vice President, Legal