



August 12, 2022

Tony Brasil, Branch Chief
Craig Duehring, Manager
Paul Arneja, Engineer
Mobile Source Control Division
California Air Resources Board
1001 I Street
Sacramento, CA 95812

Re: Sacramento Municipal Utility District's Comments on the July 26, 2022, Proposed Advanced Clean Fleets Regulation Provisions Workgroup Meeting

Dear Mr. Brasil, Mr. Duehring, and Mr. Arneja:

Sacramento Municipal Utility District (SMUD) appreciates the opportunity to comment on the Proposed Advanced Clean Fleets (ACF) Regulation Provisions Workgroup Meeting held on July 26, 2022 ("ACF Workgroup Meeting"). We thank CARB for its continued engagement with utility stakeholders during this pre-rulemaking process.

SMUD supports a comprehensive strategy to accelerate California's transition to zero emission vehicles (ZEVs) and appreciates staff's efforts to develop a rule that provides fleet owners flexibility without creating loopholes. However, we continue to have serious practical concerns regarding the compliance pathway set forth in the Public Fleets Requirements and the availability of suitable ZEVs given the ACF implementation timeline, particularly for utilities that must be prepared to respond to emergencies and maintain infrastructure in remote areas with specialized vehicles where electrification may not yet be an available option. While we appreciate staff's proposed clarifications to the exemption process and inclusion of the daily usage exemption proposal for public fleets, as presented at the ACF Workgroup Meeting, these proposals do not substantially address our concerns.

We encourage CARB to give serious consideration to SMUD's recommended revisions to the Public Fleet Requirements, which we proposed throughout the pre-rulemaking process and which we believe will afford the needed flexibility for public fleets to achieve the successful implementation of the ACF. We recommend:

- Allowing public fleets to opt into a ZEV milestone pathway comparable to the option for High Priority Fleets.
- Adopting a more robust, transparent framework with objective and realistic criteria for determining when ZEVs are commercially available.
- Revising the exemption provisions to address the emergency response needs and unusual use cases of public fleets.

SMUD has expanded on these recommendations at length in prior filings and supported comprehensive redlines by CMUA and other publicly owned electric utilities in our comments filed on June 23, 2022.¹ The abbreviated comments below supplement the issues we have already raised in previous filings.

Provide public fleets the flexibility to comply through the alternative ZEV milestone pathway, which may result in comparable or slightly faster fleet turnover.

SMUD has repeatedly recommended that the Public Fleet Requirements should include the ZEV milestone pathway as a compliance option for public fleets. While SMUD acknowledges CARB's recognition that purchase requirements may generally be an appropriate compliance pathway for public agencies, the current one-size-fits-all approach fails to recognize the diversity of public agency fleets and their circumstances. Depending on a public fleet's size, age, operational requirements, turnover plans, early adoption activities, and budgetary and procurement practices, the ZEV milestone compliance option could be a more feasible approach for some public fleets – particularly for public fleets that are already working to achieve ZEV goals set by their governing body. SMUD notes that while the ZEV milestone approach provides greater latitude to fleet owners in prioritizing their initial ZEV purchases, it is projected to result in comparable, if not slightly faster, fleet turnover than the singular purchase requirements reflected in the Public Fleet Requirements.²

SMUD continues to believe that there are no downsides, but potentially significant flexibility benefits, to offering public fleets an opt-in alternative ZEV fleet milestone compliance pathway, in addition to the Vehicle Delivery Delay Extension, the Daily Mileage Extension, and other relevant allowances for meeting the required milestones (similar to that provided to high priority and federal fleets). As such, we encourage CARB to incorporate this alternative into the Public Fleet Requirements.

Adopt a more robust, transparent framework with objective, realistic criteria for qualifying ZEVs that are deemed by CARB to be commercially available.

SMUD is committed to promoting and enabling the adoption of ZEVs for California's clean transportation future. We believe the ACF regulation is integral to moving the State toward that future. We also believe that, while the ZEV market is evolving and expanding, a robust, well-defined exemption process is key to addressing circumstances in which vehicles are not yet available or suitable for a fleet's operational needs.

¹ SMUD comments dated June 23, 2022 (<https://www.arb.ca.gov/lists/com-attach/171-acf-comments-ws-AHNWPVwoUGdRCAFi.pdf>).

² Refer to CARB staff's presentation for the July ACF Workgroup Meeting. Under the ZEV purchase example, a public fleet with 100 vehicles reaches 50% ZEVs by 2033 (slide 14) (https://ww2.arb.ca.gov/sites/default/files/2022-07/220726acfpres_ADA_0.pdf). Under the ZEV milestone example, a fleet reaches 50% ZEVs by 2032, a year earlier.

While we appreciate CARB specifying some of the proposed criteria to assess ZEV availability during the ACF Workgroup Meeting, we are concerned that the criteria are neither realistic nor adequate proxies for assessing technological feasibility and commercial availability. Moreover, the process for assessing commercial availability does not appear to reflect needed transparency, as it would rely on information provided privately to CARB by manufacturers without any public vetting.

Many of the vehicle configurations presented at the ACF Workgroup Meeting that were considered by CARB to be “available,” have not been confirmed by fleets to meet fleets’ unique duty cycles and performance requirements.³ As numerous stakeholders attested to during the July 26 workgroup meeting, CARB should incorporate a more robust, transparent framework for making ZEV availability determinations, which includes a public process. This will help address the risk when vehicles do not exist for some critical specialty use purposes.

As we have detailed in prior comments, a robust evaluation framework is critical given the unique nature of the vehicles in utility fleets. Many of the vehicles that utilities depend upon to provide critical services are considered specialty vehicles and may be some of the last vehicles adapted to zero emission drivetrains given the limited market size and unique performance requirements. While technology in the ZEV truck market is rapidly evolving, there are still significant gaps between the ability of specialized ZEV trucks to meet certain duty cycles and auxiliary functions required in the field and in emergency response situations.

The current proposal for adding vehicles to CARB’s unavailability list is infeasible and unrealistic. For example, the requirements to present “signed statements” from all manufacturers and that all “body installers...must attempt and fail for safety reasons to install needed body on ZEV chassis...” set an impossibly high barrier for public fleets to demonstrate vehicle unavailability.

Utilities should not be penalized when a ZEV is not commercially available. The determination of whether or not a ZEV is commercially available must be based on, at minimum, objective and reasonable criteria for evaluating that a viable ZEV does/does not exist in the marketplace and that the ZEV is demonstrated, evaluated, and determined to support or satisfy the necessary performance requirements of the existing ICE vehicle to be replaced. Furthermore, to ensure the list is updated based on necessary duty cycle and other needs, stakeholder participation as well as timely resolution by CARB, is critical.

³ July 26, 2022, Public Workgroup on Draft ACF Regulation Provisions Staff Presentation Slides (https://ww2.arb.ca.gov/sites/default/files/2022-07/220726acfpres_ADA_0.pdf). See pages 54-55.

SMUD recommends that the evaluation framework for determining whether a ZEV is commercially available, or not, should incorporate, but not be limited to, the following criteria:

- ZEV is available from a minimum of three manufacturers and/or upfitters with at least two years' experience selling vehicles in California.
- The manufacturers and/or upfitters of each of the three models have placed into service at least 25 copies of that model and provided data demonstrating the duty cycle and effective range of the ZEV.
- ZEV production-to-delivery timeline is comparable to similar ICE model.
- The price premium does not exceed 33% of a comparable ICE model.
- ZEV or NZEV specifications (gross vehicle weight rating (GVWR), dimensions, towing capacity, etc.) are within 10% of a comparable ICE model.
- The ZEV or NZEV available in the configuration can reliably meet the duty cycles for which the fleet owner intends to use the vehicles, including the required towing capacity.
- The lead time for delivery of the ZEV or NZEV does not exceed that of a similar ICE model by more than 6 months.

The justification for each of these criteria is set forth in our comments dated June 23, 2022.⁴

Revise the exemption provisions to address public fleets' emergency response scenarios and unusual use cases.

We appreciate staff's inclusion of the various exemption types⁵ in the Public Fleets Requirements, and we recognize that the addition of the daily usage exemption for public fleets is an attempt to address public fleets' concerns around duty cycle. Unfortunately, the daily usage, ZEV unavailability, and mutual aid provisions in the Public Fleets Requirements fail to capture the emergency response scenarios and other important but infrequent use cases of public fleets.

As currently proposed, the daily usage exemption can capture only routine usage of vehicles, not the emergencies to which utilities must be ready to respond. The mutual aid exemption, as described in our comments filed on June 23, 2022, is specifically intended for emergency response *outside* of a utility's service area and includes unrealistic restrictive criteria, such as requiring most of the fleet to have already transitioned to ZEVs. In addition, the proposed ZEV unavailability exemption, as described above, is not designed to reflect duty cycle, nor does it adequately capture vehicle availability.

⁴ SMUD comments dated June 23, 2022 (<https://www.arb.ca.gov/lists/com-attach/171-acf-comments-ws-AHNWPVwoUGdRCAFi.pdf>).

⁵ ACF proposed exemptions include the following: Mutual Aid (to support events outside normal service area), ZEV Unavailability, Daily Usage, Backup Vehicles, and infrastructure Construction Delay (delays delivery of ordered ZEVs).

We provide the following examples to illustrate our point:

- SMUD must perform power generation maintenance, including transmission maintenance and construction at our hydroelectric facilities in the Sierras, in rural, mountainous regions (> 5,000 feet) where additional charging is unavailable and portable diesel refueling is generally required.
- SMUD relies on large equipment requiring sustained, high flow hydraulic systems operating over 8 hours per day (e.g., 100-foot aerials, 45-ton cranes, 15-ton digger derricks, etc.).
- SMUD relies on vehicles like cranes, digger derricks, 40-100 foot aerials, and Class 6-8 service trucks with gross combined weight rating (GCWR) of 60,000-80,000 pounds typically towing 20,000-40,000 pound trailer.

SMUD does not maintain a separate fleet of vehicles solely to perform maintenance in remote areas, perform for extended shifts, and/or respond to emergencies. As such, these less frequent, but still critical, functions may not meet the monthly threshold of the daily usage exemption. Moreover, neither the ZEV unavailability exemption nor the daily usage exemption account for towing or payload needs.

Allowing utilities to continue mutual aid operations, as well as responding to local crises and other unexpected events, is critical for maintaining a reliable and safe electric system. Emergency response operations come in many forms (for example, responding to local disasters at the request of first responders). Reasonable exemptions should be extended to public agencies that provide electricity, water, wastewater, or gas service as these are critical community services and constraining a public agency's ability to respond to *any* emergency puts the public at risk.

We urge CARB to revise the proposed exemptions to ensure they can address *all* "Emergency Response" operations by public fleets and the regular but infrequent operational needs that some public vehicles may have. In our comments dated July 26, 2022, we recommend the inclusion of a case-by-case exemption to deal with unforeseen circumstances where ZEV technology is not yet available or not suitable.

Conclusion

The Advanced Clean Fleets rule is an innovative regulation and SMUD enthusiastically supports its success.

SMUD appreciates the opportunity to comment on the Proposed Advanced Clean Fleets (ACF) Regulation Provisions Workgroup Meeting held on July 26, 2022. We look forward to the ongoing dialogue with CARB as we strive together to formulate solutions to enhance the positive impacts of EV adoption.

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Corporate Files (LEG 2022-0117)