

August 10, 2022

Mr. Craig Segall
Deputy Executive Officer
California Air Resources Board
1001 I Street
Sacramento, CA 95812

Dear Mr. Segall:

Subject: Los Angeles Department of Water and Power Comments on the
Draft Advanced Clean Fleets Regulatory Language

The Los Angeles Department of Water and Power (LADWP) appreciates the opportunity to provide comments on the Advanced Clean Fleets (ACF) Proposed Draft Regulation Language for Public Fleets.

LADWP is the nation's largest municipal utility serving more than 4 million residents of Los Angeles, its businesses, and visitors. LADWP maintains a vast water system with about 7,340 miles of mainlines and trunk lines transporting 166 billion gallons of water annually. LADWP's Power System is the nation's largest municipal electric utility supplying 20,936 gigawatt hours annually to customers in Los Angeles and the Owens Valley. In addition, LADWP maintains a diverse power generation, transmission, and distribution system of 15,000 miles of power lines and cables that span five western states. Operating and maintaining these vast systems requires necessary vehicles readily available to quickly maintain and restore water and power.

LADWP supports transportation electrification and continues to install infrastructure and purchase zero-emissions vehicles (ZEVs) whenever feasible. LADWP has developed a Green Fleet Purchasing Plan, which is a zero-emission first fleet procurement policy, to support the targets and goals of Los Angeles' Green New Deal. Under this policy, all vehicles purchased must be zero-emission when available and operationally feasible. Additionally, in collaboration with the Transportation Electrification Partnership, LADWP has been able to exceed initial targets for commercial charging stations installed. These efforts along with the ACF Regulation will help accelerate deep reductions in climate and air pollution.

LADWP welcomes California Air Resource Board's (CARB) efforts to incorporate additional exemptions in the updated draft language. The variety of options will be important in providing flexibility as public fleets transition to ZEVs, especially in situations where suitable ZEVs are not commercially available yet. The challenge is finding the right balance between commercial availability and reliability.

As a public fleet, utility, and a Provider of Essential Public Service, LADWP's vehicles are essential and constantly relied on for maintaining water and power services at all times. Many of LADWP's vehicles are specialized and capable of performing critical functions at a moment's notice such as, but not limited to, responding to downed high-power voltage lines or damaged trunk lines flowing thousands of gallons of water. These incidents are often threats to public health and safety; therefore, LADWP must replace vehicles when needed and cannot delay purchases until ZEV alternatives become available. It is also crucial for ZEVs to meet the same technical specifications and reliability standards as those of internal combustion engine vehicles (ICEVs) to make sure that the ZEVs are as effective and dependable when responding to essential services. As a reminder, several of these specialty vehicles were highlighted in LADWP's first comment letter submitted on October 29, 2021.

LADWP provides the following recommendations to provide clarity, help streamline the exemption processes, and further refine this important rule. LADWP supports the recommendations proposed in the comment letters submitted by the Association of California Water Agencies, California Council for Environmental and Economic Balance, California Municipal Utilities Association, and Southern California Public Power Authority.

ZEV Unavailability Exemption

Definition of Commercial Availability

LADWP strongly recommends that the ACF regulation define commercial availability with clear, objective, and detailed criteria. CARB should not list a vehicle as commercially available simply because a single vehicle is available, but should also consider whether the vehicle is reliable, priced competitively, and able to be purchased and maintained. Criteria could include but should not be limited to:

- A particular vehicle type is available for purchase from at least three manufacturers that have at least two years of experience selling vehicles in California;
- A minimum of 25 vehicles of each model have been placed in service;
- The vendor or manufacturer is able to fulfill purchase orders in a timely manner;
- The vendor is able to provide vehicle maintenance support within 75 miles of the delivery point and guarantee continuous availability of parts.

The criteria listed above are consistent with current vendor performance and ensure a wide selection of reliable vehicles that can be purchased at competitive prices, delivered in a timely manner, and maintained through warranties and lifetime service plans.

LADWP suggests removing the exclusion of vehicles with a gross vehicle weight rating (GVWR) of <14,000 lbs and specific vehicle types such as pickups and tractors. An upfront exclusion of vehicle types is unnecessary and counterproductive to CARB's proposal to maintain an unavailability list. Furthermore, the exclusion of specific vehicle types does not take into consideration that such categories can be broad enough to include ZEV options that are not commercially available or are not able to meet the required duty cycle.

For instance, LADWP deploys pickups and tractors over long distances during emergency events where ZEVs may not be feasible. Patrol trucks are dispatched to investigate power outages and issues along LADWP's transmission and distribution lines, which can go on for several miles. Another example includes transporting heavy loads throughout LADWP's extensive service territory with 3-axle truck tractors. These vehicles require a gross combined weight rating (GCWR) of up to 200,000 lbs in order to haul equipment such as cranes and transformers that weigh over 120,000 lbs. Existing all-electric platforms only have a GCWR of 80,000 lbs. LADWP is currently participating in a long-term demonstration and feasibility study to assess the use of electric tractors in routine applications where the load is not as heavy but LADWP has yet to find commercially available specialty ZEVs that are suitable for LADWP's operational needs.

LADWP also suggests that CARB develop a ZEV availability list rather than an unavailability list. An availability list allows stakeholders to identify potential ZEV replacements as opposed to filtering out vehicles from an unavailability list. Not only would this significantly streamline the exemption process for both CARB and fleets, it would also serve as a valuable tool to inform fleets of updates to the ZEV market.

Case-by-case Exemption Process

Whether CARB decides on an availability or unavailability list, it is important to recognize that each fleet is unique, and available ZEVs may not always meet a fleet's operational needs. LADWP proposes that CARB develop a case-by-case exemption process, similar to Southern California Air Quality Management District's (SCAQMD) Rule 1196 Technical Infeasibility Certification (TIC), that will allow fleet owners/operators to individually justify to CARB when they believe commercially available ZEVs are not feasible for specific applications.

LADWP offers the following recommendations for criteria in granting an exemption, but should not be limited to:

- The weight or dimensions of the ZEV is infeasible;

- The vehicle range, including towing capacity and auxiliary functions, is insufficient;
- The ZEV does not meet the required duty cycle;
- A public agency does not receive responsive bids from at least three manufacturers;
- The delivery time for the ZEV would exceed that of an ICEV by six months or more;
- Charging infrastructure is not commercially available within a reasonable number of miles from the locations where vehicles operate;
- Replacement of one specialty ICEV would require more than one ZEV (no direct drop-in replacement option).

While an availability list streamlines the ZEV unavailability exemption process, a separate case-by-case exemption process ensures that public fleets have the opportunity to purchase vehicles that will meet their operational needs. Many of LADWP's operations require vehicles to carry heavy equipment and travel over rough terrains in remote areas. LADWP vehicles do not only travel long distances, but also perform work onsite for extended periods of time. LADWP recommends that the criteria for technical infeasibility be clearly defined before rule adoption. To ensure ample time to procure the necessary vehicles, LADWP also requests that CARB provide a determination within a maximum of 30 days following the submittal of an exemption request. LADWP is open to working with CARB to further develop the exemption process.

Furthermore, LADWP recommends that CARB coordinate with the local air districts to manage the ACF regulation's interface with the local district rules such as SCAQMD's Rule 1196. The ACF proposes many options for fleets such as early action credits, backup vehicle exemptions, a 50% ZEV purchase requirement in the first two years, and mutual aid exemptions. However, public fleets in the SCAQMD jurisdiction are still required to obtain a TIC when purchasing a diesel vehicle. This creates an additional exemption process for public fleets; and if a TIC is ultimately not granted, the flexibility for public fleets will be significantly limited. Having both exemption processes in place is not only redundant and counterproductive, it also creates an unnecessary administrative burden for both CARB and SCAQMD.

One possible approach is offering exemption provisions for vehicles that have been granted a TIC by their local air district. The TIC process requires fleets to provide documentation as to why an alternative-fuel vehicle would not be feasible in a specific application, which involves researching all alternative-fuel types, including ZEVs. If a TIC has already been granted, it is duplicative for CARB to review the same type of request. This issue of dual compliance is similarly observed in CARB's Portable Engine Registration Program (PERP) where engines have the option to be registered with either CARB or local air districts. It could be an additional flexibility option for fleets to utilize, but will only be a partial solution when considering diesel vehicles since the TIC

process only applies to the purchase of diesel vehicles. CARB should still develop a case-by-case exemption process for fleets that need to purchase non-diesel vehicles such as gasoline or compressed natural gas. This exemption process will relieve CARB from additional administrative burden while still ensuring that public fleets are purchasing the cleanest vehicle feasible.

Mutual Aid Exemption

LADWP recommends removing the exclusion of vehicles with GVWR <14,000 lbs and specific vehicle types such as pickups and tractors from this exemption as well. The vehicles used for mutual aid depend on the specific situation. For LADWP, any of its available vehicles, whether light-duty or heavy-duty, may be dispatched to respond to an emergency or a mutual aid request. Oftentimes, lighter-duty vehicles with crews are sent along with larger heavy-duty vehicles to respond to emergencies. Fleets should have the ability to request a mutual aid exemption for any necessary vehicles, as long as all the other requirements are satisfied.

Daily Usage Exemption

LADWP supports the inclusion of a daily usage exemption in the public fleet requirements as indicated during the workgroup meeting on July 26, 2022. It has the potential to provide additional flexibility in terms of vehicle mileage range. LADWP recommends simplifying the process, particularly the reporting and mileage determination component. Otherwise, the cumbersome process of logging and collecting the daily mileage will be a significant administrative burden, especially for large fleets that have hundreds of vehicles. LADWP understands CARB's intent to identify the lowest mileage of the vehicles each day; however, this may not necessarily match a fleet's future needs. Vehicles with low mileage may be underutilized due to issues with their current specifications. For example, a tractor may have low daily mileage because it is unable to move heavier loads; therefore, it does not get used as often. New tractors may require more power and a higher GCWR to meet the fleet's needs. LADWP recommends allowing more flexibility in the documentation needed to demonstrate the daily range.

Infrastructure Construction Delay Exemption

LADWP requests clarification regarding the documentation required for an infrastructure construction delay exemption. The draft language states that a letter is required from the utility explaining the reasons for the delay, while the presentation during the workgroup meeting simply states "supporting documentation of reason for delay." LADWP recommends CARB accept any type of supporting documentation, including emails, rather than a formal letter signed by a responsible official as it adds additional complexity to the exemption process.

Purchase Requirement Start Date

LADWP suggests deferring the start of the purchase requirements to January 1, 2025. With the proposed rule not being adopted until 2023, public fleets will have less than a year to budget for new ZEV purchases. Like many other public fleets, LADWP budgets for vehicle purchases up to five years in advance. Furthermore, over the past two years, supply chains have been disrupted by the COVID-19 pandemic. The production and delivery of vehicles have been delayed and will need time to catch up with global demand. An additional year could serve as a safeguard against the uncertainties by allowing public fleets sufficient time to plan ahead and budget, supply chains to recover, as well as, ample time for ZEV technology to mature and more ZEVs to become commercially available, which could potentially reduce the need for exemptions.

Reporting Requirements

LADWP suggests the following additional clarifications and modifications to streamline the reporting requirements:

- Emergency events should not require a formal declaration and should not be limited to acts of nature. Any event that poses a threat to public health and safety or property should be recognized as a potential emergency event.
- The rule language should provide more clarity regarding credits for ZEVs purchased early or above the required amount.
- Order cancellations initiated by the vendor or manufacturer should not cause a fleet owner/operator to be out of compliance with the purchasing requirement.
- Fleets should not be required to report any changes to the fleet within 30 days. This information is already captured in the annual report, and additional reporting is burdensome and duplicative, both for fleet owners/operators and CARB staff.
- The requirement for documentation to be provided to CARB within 72 hours does not provide sufficient time for public fleets, especially large fleets, to respond to an audit where considerable amounts of documentation may be requested. A more reasonable timeframe for responding to an audit is 10 business days.
- The hiring compliant fleets requirement should be reconsidered and possibly removed. Determining if a hired fleet is subject to or compliant with the ACF regulation would be difficult and onerous for the fleet owner/operator.
- The operator documentation requirement should also be reconsidered and possibly removed. This requirement is duplicative and burdensome for both public fleets and CARB staff.

LADWP appreciates the additional workgroup to further discuss the exemptions and extensions. LADWP encourages CARB to continue these discussions and provide a guidance document to more clearly and thoroughly explain the exemption processes.

LADWP fully supports CARB's transition goals and looks forward to working with CARB to further refine the proposed language in ensuring a successful implementation of the

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ACF regulation. LADWP appreciates CARB's collaboration with the stakeholders and consideration of the feedback provided.

If you have any questions regarding these comments, please contact Ms. Andrea Villarin of my staff at (213) 367- 0409.

Sincerely,

Katherine Rubin  Digitally signed by Katherine Rubin
Date: 2022.08.16 16:56:00 -07'00'

Katherine Rubin
Director of Environmental Affairs

EC:ns
Submitted electronically to the "acf-comments-ws" docket
c: Mr. Tony Brasil, CARB
Ms. Andrea Villarin, LADWP