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**INTERIM
EXECUTIVE OFFICER/APCO**

Clerks' Office, ATTN: Dr. Steven Cliff
California Air Resources Board
1001 I Street
Sacramento, CA 95814

Re: Comments on the Proposed Amendments to the In-Use Off-Road Diesel-Fueled Fleets Regulation

Dear Dr. Steven Cliff:

Thank you for the opportunity to provide comments on the proposed amendments to the In-Use Off-Road Diesel-Fueled Fleets Regulation (Off-Road Regulation). In partnership with the California Air Resources Board (CARB), the Bay Area Air Quality Management District (Air District) has administered incentive programs aimed at reducing off-road diesel equipment emissions for over 20 years and the projects funded have been instrumental in helping the Bay Area region achieve its clean air and climate goals.

The Air District supports CARB's proposed amendments to the Off-Road Regulation including:

- Goal to accelerate air quality and health benefits in AB617 communities and statewide
- Goal to phase-out of Tier 0, 1, and 2 engines from operation in California
- New requirement for public agencies to collect Off-Road Regulation compliance documentation from the fleets with which they contract
- Additional time and flexibility in meeting compliance requirements for fleets that choose to adopt zero-emission (ZE) equipment
- Focus on individual engines rather than fleet averages
- Consistent application of the Off-Road Regulation across the State

The Air District appreciates the ambitious and forward-thinking goals of the amendments. However, the Air District has two concerns with the proposed changes to the Off-Road Regulation: 1) timing and 2) compatibility with State incentive programs.

Short Compliance On-Ramp

With the potential for new equipment manufacturer delays and grant approvals taking longer than a year, the primary concern with the amendment is the short, less than two-year window many fleets will have to begin complying with the proposed amendments, including the deadlines for the ZE compliance flexibility option. While the ZE flexibility option is intended to provide flexibility to owners interested in transitioning to ZE, if it is not significantly broadened and streamlined it will likely be unavailable as an option for most fleets. In absence of adjustments, the amendment as proposed will likely lead to the proliferation of more new diesel engines (Tier 4 final) in lieu of ZE equipment as fleets scramble to meet the newly proposed compliance deadlines.

While use of Tier 4 final equipment has many health benefits compared to older dirtier equipment, **the proposed regulation misses the opportunity to incentive the accelerated transition to ZE and signal to manufacturers that there is strong market demand and need for this new technology in the near term.** One major impediment to the transition to ZE is

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the current limited availability of ZE equipment as acknowledged in CARB's Staff Report: Initial Statement of Reasons.¹

Extending the compliance deadlines and streamlining the Zero-Emission Compliance option will provide more opportunities for voluntary emission reductions; offer a more effective opportunity for fleets to recognize, prepare, and plan for the upcoming regulatory changes; give ZE off-road technology much needed time to be better established as a reliable option; and still result in significant benefits to air quality.

Amendment Compatibility with Statewide Incentive Programs

We urge CARB to consider changes to State-adopted incentive program guidelines, especially Carl Moyer Program (CMP), to support the accelerated transition to the cleanest available technology and give short-term support for newly regulated owners who adopt Tier 4 final ahead of new compliance deadlines.

If the Off-Road Regulation is implemented as proposed, most equipment owners interested in upgrading to ZE will be ineligible for grant funding unless complementary changes are implemented in incentive program guidelines, such as the CMP guidelines. **Emission reductions gained by the implementation of the rule would be more impactful if combined with greater incentive opportunities that consider surplus emission reductions through the voluntary early replacement of Tier 0, Tier 1, Tier 2, and Tier 3 equipment with Tier 4 final and ZE equipment.**

Given the short compliance timelines and need for immediate emission reductions, swift action in grant processing is needed, as well as additional support for the deployment of off-road ZE equipment. CARB can mitigate delays and other obstacles to approval of off-road ZE projects in various ways by:

- Implementing a certification process for ZE off-road equipment. This would eliminate the need for ZE equipment to undergo CMP Case-by-Case (CBC) determinations by CARB, which involve lengthy review of ZE equipment's technological feasibility. CARB already has a list of off-road ZE equipment acceptable for the Clean Off-Road Equipment (CORE) Voucher Incentive Project.
- In absence of the above, streamlining or eliminating the CBC process required by the CMP guidelines to allow for swift approval of ZE.
- Continuing to expand availability of ZE infrastructure grants for off-road projects.
- Modifying CMP guidelines to allow for shorter project-useful lives in anticipation of the short compliance timeline.

We also urge CARB to provide accurate information relative to incentives, specifically the lack of any, if guideline changes aren't implemented quickly to avoid misleading equipment owners into thinking they will be eligible for financial assistance.

In closing, the Air District appreciates CARB's continuing efforts to reduce the air quality and health impacts from off-road equipment operating in California, to benefit vulnerable communities and all areas

¹ CARB Staff Report: Initial Statement of Reasons (pgs. 182-183); "Presently, zero-emission vehicle technology in the off-road sector is at a less mature stage of development [than its counterparts in other sectors, e.g., on-road] due to several factors, including demanding duty-cycles, high power needs, specialized production, and remote or rugged operating environments".

in California, and to support the transition to zero-emission technologies. We look forward to our ongoing collaboration.

Sincerely,

DocuSigned by:

Sharon Landers

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Sharon Landers

Interim Executive Officer/APCO

cc: Council Member Davina Hurt, Vice Chair, BAAQMD Board of Directors, CARB Board Member