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RE: Draft Advanced Clean Fleets Regulation – Public Fleet Requirements

To Whom It May Concern:

The Helix Water District appreciates the opportunity to provide comments on the May 4, 2022, draft of the proposed regulations language of the Advanced Clean Fleets Regulations, Public Fleet Requirements. We appreciate California Air Resources Board's willingness to accept stakeholder feedback on the concerns of the public fleets, including water utilities.

Helix Water District treats water for over 500,000 people and delivers water to 277,000 residents in eastern San Diego County through a \$1.6 billion infrastructure. The district is responsible for operating a number of reservoirs, dams, a 106 million gallons per day water treatment plant, 25 pump stations, 25 distribution storage tanks, hundreds of miles of pipeline, ensures facility security as well as emergency preparedness and response. We are able to conduct our operations through a reliable fleet that is managed to ensure that we are able to respond to emergencies and natural disasters 24 hours a day, 365 days a year.

The following are our main concerns in regards to this regulation: power infrastructure requirements and grid reliability; zero-emission vehicle availability; ability to meet our mandate to maintain an adequate, safe and healthy water supply especially during emergency and natural disaster responses; and increased capital and operational costs that will affect the affordability of water into the future. As a governmental agency, we want to ensure that this regulation does not create unintended negative consequences for

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the people we are entrusted to serve, especially for water utilities given that this regulation has the potential of endangering public health and safety, especially during emergencies.

Power Infrastructure and Grid Reliability

The inclusion of Section 2013.1 (b) Infrastructure Construction Delay Extension is a step in the right direction. After discussions with the power utility in the region, it became apparent that the power infrastructure is not adequately built for the level of demand that this regulation will put on the existing electric grid. For the fortunate few agencies impacted from this regulation that act quickly, it could take months to years to receive approval to construct the power up to the meter at the respective properties. Unfortunately, for most this process will take much longer as the power companies will need to plan for, design and construct power substations to meet the increased power demands. This process could take anywhere from 3 to 5 years based on dialogue with our power utility.

Once power is on-site at the parcel and the meter set, the agency will need to plan, design and construct the charging infrastructure, which could take an additional several years. Based on current conversations with design firms and contractors, lead times for critical components such as switchgear and charging head units are already at a 10 to 18-month lead time, resulting in further construction delays.

We recommend that the one-year limitation in Section 2013.1 (b) be removed as long as “any” rather than “all” of the following requirements are met.

Extreme temperatures, natural disasters, increased and shifting electricity demand, and potential reductions in hydropower generation due to drought can result in interruptions in electric service. Also, due to increasing threat from wildfires, Public Safety Power Shutoff events have increased in frequency and duration in high fire risk areas. The region that the district serves includes several high fire risk areas that have experienced PSPS events. These interruptions in electricity would hinder public agencies with zero-emission vehicle fleets from being able to provide essential services including providing the water needed to combat wildfires. The rule should consider that there will inevitably be interruptions in electric service and should be written in a way that considers the implications of interruptions in electricity for up to one week.

ZEV Availability

A substantial portion of the district fleet will be affected by this regulation, as we do not have separate vehicles solely for employee transport. Our vehicles must be able to tow; have power take-off features to power auxiliary items such as cranes, air compressors, dump beds and lift gates; not exceed highway weight restrictions with batteries and auxiliary tools; have the ability to idle for an extended period of time; have a substantial range on one charge; and have the ability to remote-off-road charge where there is no access to the electric grid. These vehicles include dump trucks, welding trucks, valve trucks, utility trucks, water trucks and hydro excavators. At the May 2022 Advanced Clean Transportation Expo in Long Beach, we along with several of our partner agencies discussed vocational fleet availability with numerous

manufacturer representatives. The manufacturers are currently not focusing on vocational vehicles and estimate that they will not have offerings in this category for at least five years.

Because the market is not ready for vocational zero-emission vehicles, it is imperative that the exemption for ZEV availability be very robust. The district supports recommendations by the Association of California Water Agencies and the California Municipal Utilities Association for exemptions that will allow for the purchase of internal combustion engine vehicles when ZEVs are not commercially available. We request that if a vehicle is necessary for water system operations, is available as an ICEV and can be delivered to the agency in an expeditious time frame, that the exemption allow for the purchase of an ICEV instead of just postponing the ZEV delivery. Not having a critical vehicle in our fleet will impact our ability to maintain water supply and to respond to emergencies. In addition, we request that credits are given for vehicles purchased in lower classes (i.e., below the 8,500 pounds threshold for this regulation) to meet implementation requirements. We further request consideration be given for fleet vehicles that have been transitioned to a renewable clean fuel source.

Emergency Response

We support the recommendations made by ACWA and CMUA in respect to mutual aid and emergency response. All water utilities are tasked with maintaining a safe and reliable water supply and infrastructure that is critical to public health and life safety. Water system emergencies cannot wait for state declarations of emergencies and often are localized where the county or state will not be involved in emergency declarations. These emergencies are declared at the local level by means of our emergency operations plan and are declared by our locally elected officials. Additionally, a water utilities' ability to respond and provide water during wildfire emergencies is critical in protecting life and property. It is typical that wildfire events are coupled with Public Safety Power Shutoff events, thus affecting our ability to provide water for fire suppression with a ZEV fleet.

Cost

Assembly Bill 685 codifies human right to water in California. Water Code Section 106.3 statutorily recognizes that "every human being has the right to safe, clean, affordable, and accessible water..." As a nonprofit entity, the district is required to pass costs to all consumers, including disadvantaged individuals and groups. All of us need to do all we can to keep that water affordable as the statutes direct us. This regulation will have significant impact on water affordability, as it will include, significant upfront capital investment, increased fleet replacement costs and ongoing and increased electrical demand and operating costs.

In order to transition to the purchase of a ZEV fleet the charging infrastructure needs to be in place. The upfront capital investments to construct the infrastructure needed to charge a large ZEV fleet will be significant and water rates will be impacted immediately. The cost for vocational ZEVs is exponentially higher than comparable ICEVs translating into sustained and ongoing water rate increases. We also support CMUA edits to Section 2013 (c) (6) that ICEV should be allowed when near-zero-emission vehicle or ZEV costs exceed 133% of purchase price. This will allow utilities to budget and know that until the technology is prevalent enough to be price competitive and affordable, water rates will not be impacted

by requirements for higher-cost, unproven vehicles. In order to maintain our ability to operate and respond to emergencies, we'll be required to charge a zero-emission vehicle fleet during peak power demand periods and will incur heavy peak pricing and demand charges from the power utility, again translating into increased operational costs and less affordable water for our customers contradicting Assembly Bill 685.

We appreciate the opportunity to comment on this very important rulemaking. We support the points raised and recommendations made by the Association of California Water Agencies and the California Municipal Utilities Association in their comment letters. We hope to continue our dialog with the California Air Resources Board staff to create a rule that is achievable, fair, and supports our ability to provide safe, reliable and affordable water to our customers.

Respectfully,



Kevin D. Miller
Director of Operations