



September 18, 2023

Via CARB board website at www.arb.ca.gov

The Honorable Steven S. Cliff, Ph.D.
Executive Officer
California Air Resources Board
1001 I Street Sacramento, CA 95814

RE: Proposed Amendments to the Heavy-Duty Engine and Vehicle Omnibus Regulation

Dear Dr. Cliff,

On behalf of Hexagon Agility Inc. and its subsidiaries ("Hexagon Agility"), I am writing regarding the proposed amendments to the heavy-duty engine and vehicle omnibus regulation ("Omnibus Amendments"). As our company's vision statement is "Clean Air Everywhere," we believe in the California Air Resources Board's (CARB) mission "to promote and protect public health, welfare, and ecological resources through effective reduction of air pollutants while recognizing and considering effects on the economy." However, we are concerned that CARB may fall short of achieving its mission in connection with the Omnibus Amendments. Specifically, it appears that many of the environmental benefits assumed to result from the initial Omnibus regulation of 0.02gNO_x/bhp ("Omnibus Regulation") will be materially altered or rendered invalid as a result of the Omnibus Amendments, which raises the NO_x level to 0.035g/bhp in 2027. Put another way, by relaxing the Nox requirements under the Omnibus Amendments, CARB's conclusions relating to the Omnibus Regulation are now incorrect. Accordingly, we request that CARB revisit the environmental conclusions underlying the Omnibus Regulation to determine whether and to what extent these conclusions need to be amended given the Omnibus Amendments, and perform any additional environmental analysis as is required under applicable law. Further, as described herein, we strongly encourage CARB to amend the Advanced Clean Fleet regulation to require the next cleanest technology to mitigate for the lost environmental benefits resulting from the Omnibus Amendments.

1. CARB's conclusions relating to the environmental benefits of the Omnibus Regulation are invalid, and must be revisited.

During the Advanced Clean Fleet Regulation ("ACF") rulemaking process, industry stakeholders repeatedly asked that CARB include a requirement in ACF that if zero-emission technologies were not available, fleets would be required to purchase the next cleanest technology available (e.g., near-zero emission technologies). CARB repeatedly declined to include this requirement on the grounds that the Omnibus Regulation already functioned in this capacity; that is, because the Omnibus Regulation required a baseline of 0.02gNO_x/bhp—an aggressive standard equivalent to near-zero technologies—that negated the need for the "next cleanest" clause to be added. However, now that the Omnibus Amendment lowers the required level to align with the U.S. Environmental Protection Agency ("EPA") at

HEXAGON AGILITY INC

3335 Susan Street, Suite 100
Costa Mesa, CA 92626

T: +1 949 236 5520
www.hexagonagility.com

Clean air everywhere

0.35gNOx/bhp, beginning in 2027, the argument asserted by CARB in connection with the ACF rulemaking is invalid. Indeed, the environmental benefits of the Omnibus Regulation are weakened, likely requiring additional environmental analysis. As such, for CARB to achieve the same air quality benefits previously anticipated under the Omnibus Regulation, it must require under ACF that fleets use the next cleanest technology, or near zero emission vehicles rated at 0.02gNOx/bhp. This will allow CARB to retain the same environmental benefits previously alleged to be able to be achieved under the Omnibus Regulation.

2. CARB should adopt a well-to-wheel approach to the Omnibus Amendments and ACF

As part of CARB's efforts to revisit the assumptions/diligence underlying the Omnibus Regulation, Hexagon encourages CARB to consider the well to wheel (or lifecycle) approach to calculating emissions. Hexagon is concerned that CARB's tailpipe only emissions perspective is inherently flawed, allowing for environmental and social consequences beyond just California air quality. For example, CARB is not considering the impact of mining for minerals like lithium and cobalt in order to manufacture battery electric heavy duty vehicles. Likewise, CARB is not taking into account electricity that is powered by coal or other non-green sources. These types of factors can only be considered when using a well to wheel approach. CARB staff should not ignore issues that have the potential to undermine their mission; intended or not. We know that this is a heavy request given the impact to the Advanced Clean Fleet regulation, but we believe in "Clean Air Everywhere," not just in California.

3. CARB should adopt regulations, including ACF, to provide for parity in clean fuel technologies.

Currently, heavy duty vehicles powered by renewable natural gas ("RNG") are affordable, clean, reliable, and readily available. RNG will be the lynchpin clean energy source in hard to decarbonize transportation sectors. We applaud CARB for its inclusion of RNG in the Low Carbon Fuel Standard (LCFS) program and on the success of the program thus far. The reduction in Carbon Intensity (CI) of RNG from dairy by way of dairy digesters has been critical in CI reduction and has spurred investment in RNG production. Not only are dairies a critical source of RNG, but landfills are as well. RNG is able to obtain negative CI values because methane that would otherwise be released into the atmosphere is being collected, cleaned and used to power heavy duty vehicles. It is incumbent on CARB to support this technology on an equal basis with other clean fuels. Further, as illustrated by federal programs such as the Inflation Reduction Act, it is well documented that RNG will play a part in the production of affordable blue hydrogen. While we realize that green hydrogen is the end goal, there will always be the need for near term clean technologies to displace dirtier technologies and bridge the path to the future. These types of bridges are critical to programs, such the IRA, to promote both the demand and supply side of the hydrogen economy. Thus, Hexagon encourages CARB to adopt regulations that advance and promote RNG, not only because it is the fuel with the lowest CI factor available today, but because it will help pave the way for a zero-emission future.

4. Conclusion

In sum, we ask that CARB revisit the environmental benefits of the Omnibus Regulation, and adopt a well-to-wheel or lifecycle approach to measuring emissions for the Omnibus Amendments and ACF. This will allow CARB and the citizens of California to accurately and fully understand the environmental impacts of the heavy duty vehicles on the road today. Hexagon further requests that CARB adopt policies and regulations that establish transparency and parity between fuel types to allow the industry

HEXAGON AGILITY INC

to determine the best emissions reduction strategies to be implemented in areas that maximize their value proposition. Hexagon agrees that heavy duty electric vehicles are best suited for certain applications, including in urban areas or last mile delivery. It is well established, however, that in the long haul, high payload sector, RNG offers the best option to achieve the greatest emission reductions possible. We believe that a technology agnostic approach will yield the most meaningful emissions reductions.

Thank you for your time and consideration.

A handwritten signature in blue ink that reads "Ashley Remillard". The signature is written in a cursive style with a small flourish at the end.

Ashley Remillard
SVP Legal and Government Affairs

HEXAGON AGILITY INC

3335 Susan Street, Suite 100
Costa Mesa, CA 92626

T: +1 949 236 5520
www.hexagonagility.com

Clean air everywhere