



## Sustainability in Action

November 11, 2022

California Air Resources Board (CARB)  
1001 I Street  
Sacramento, CA 95814

### **Re: Comments on the Fiscal Year 2022-2023 Funding Plan for Clean Transportation Incentives Draft Proposal – Clean Truck and Bus Voucher Incentive Project (HVIP) – Submitted Electronically**

Thank you for the opportunity to provide comments on behalf of Republic Services regarding the proposed Fiscal Year (FY) 2022-2023 Funding Plan for Clean Transportation Incentives. Our comments are specific to the Clean Truck and Bus Voucher Incentive Project (HVIP). We offer our appreciation to CARB and its staff for an engaging and transparent process, which has included multiple workshops to discuss in detail policies, guidelines and procedures. Republic supports the large investment of \$2.6 billion in clean transportation funding. This transition to zero emission fleets cannot occur without these substantial incentives.

Republic Services (RSG) manages a significant share of solid waste and recycling services throughout California. We are striving to be early adopters of zero emission technologies. We operate a fleet of nearly 2000 Heavy Duty collection vehicles and transfer trucks in CA from over 25 facilities. We serve more than 70 jurisdictions in California. To date, Republic has deployed five ZEV collection vehicles in (Hickory, NC and Boise, ID) and the Boise operation will scale to 10 electric refuse trucks by the end of 2025. Our first deployment in Anaheim, CA of three electric refuse trucks will occur in early 2023.

**Republic believes that the provision of solid waste/recycling services and the nature of the arrangement with the communities we serve is unique. We are not aware of other industries that are embedded in the community on a daily basis in repeated close proximity to residents and business owners. Our vehicles pass by thousands of homes and businesses daily and this service is provided at least weekly if not several times a week depending upon the service frequency chosen by our commercial customers.**

We are committed to supporting the efforts of the Air Resources Board and propose adjustments to the current provisions of the Funding Plan to reflect the unique nature of services provided by our industry. These requested adjustments would **ONLY** be applicable to fleets providing solid waste/recycling collection services in disadvantaged communities. Otherwise, all other provisions of the Funding Plan as currently proposed would remain intact.

The requested adjustments will more rapidly expand the reach of the pending Advanced Clean Fleet rule to priority communities served by large solid waste/recycling collection fleets and minimize financial impacts to rate payers due to greater up front capital costs for zero emission trucks. Our proposed edits to the Funding Plan along with a basis for each request are as follows:

- **For the Solid Waste/Recycling Industry, eliminate the requirement/preference for a fleet to be domiciled within a priority community in order to receive incentives. Rather, tie the requirement/preference to trucks operating in a disadvantaged community (DAC):** The majority of daily operating hours for our fleets are spent on the streets delivering collection services and not at the location in which the fleet is domiciled. Where a fleet is domiciled does not dictate where the trucks operate for most of the day. To ensure a maximum benefit for priority communities, any preference should be linked to trucks that will operate in a DAC and not where the truck is domiciled.

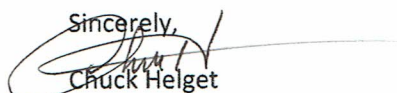


- **Allow vehicles providing solid waste/recycling services in disadvantaged communities purchased with incentives to count as compliant vehicles relative to the Advanced Clean Fleets rule:** The Advanced Clean Fleets (ACF) rule will be considered a Change in Law within our franchise agreements in the communities we serve. Placing the burden of the initial purchase price and any variances to estimated total cost of ownership upon rate payers in DAC would undermine the fundamental intention of the Funding Plan. **This is not a case of funding compliance** but simply directing incentives to where they are most needed. The additional cost of compliance with the proposed ACF rule is significant. In the solid waste/recycling sector this cost will fall disproportionately on the rate payers in DAC if incentives are not available once the ACF rule is effective.
- **Eliminate the bulk purchase threshold that must be met for large fleets prior to being eligible for incentives:** In any given year the need for purchasing a zero-emission truck may vary depending upon a wide variety of factors (i.e., timing of infrastructure deployment, public entity preference for timing). Receipt of incentives to expand the reach of zero-emission trucks in DAC shouldn't be restricted by how many trucks an entity has purchased in any given year. A bulk purchase requirement is in fact a disincentive to purchase ZEV and may inadvertently shift placement of ZEV away from communities where they would have the greatest impact.
- **Allow large solid waste/recycling fleets serving DAC to have equal or relatively similar access to incentives as smaller fleets by extending or elimination of the fleet size limitations:** The Funding Plan has identified placement of zero-emission vehicles in DAC as a priority. The solid waste/recycling sector has a broad footprint within all DAC in CA. A majority of DAC are served by solid waste companies that are categorized as large fleets. For purposes of rate stabilization and market penetration, incentives should be equally accessible to all companies involved in providing these essential services to DAC regardless of fleet size.
- **Funding for ZEV providing solid waste/recycling services in priority communities should not be time bound:** For reasons noted above relative to rate stabilization and market penetration, incentives should be granted on an as available basis for the funding cycle versus sunseting on a specific date, regardless of remaining reserves.

Worth noting is that Republic is fully supportive of the enhancements for drayage and refuse trucks. Staff has proposed to offer a 25% voucher enhancement for ZEV refuse trucks. As staff points out, and in sync with the focus of our proposed edits noted above, refuse trucks are present in all communities statewide. **We strongly support this proposal.**

In closing, Republic Services appreciates the opportunity to comment on the proposed Funding Plan. As noted above, we are in support of the objectives of the Air Resources Board and California's climate protection goals. However, we want to make sure that every facet of this initiative has been carefully evaluated so that it can be successfully and durably implemented. This is especially true in respect to incentives being readily available to the solid waste and recycling sector intimately involved with providing essential services to DAC.

We are grateful for the continued dialogue with staff on this matter and look forward to finalizing a regulation that contains achievable and durable milestones that can meet the stated objectives. We would welcome the opportunity to discuss these comments further with you.

Sincerely,  
  
 Chuck Helget

Director Government Relations – CA

cc: Chair Liane Randolph and CARB Board Members  
 Dr. Steven Cliff, Executive Officer  
 Craig Segall, Deputy Executive Officer