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October 17, 2022

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Re: Turlock Irrigation District Comments on Draft Regulatory Language for the Advanced Clean Fleets Regulation State and Local Government Agency Fleet Requirements

Turlock Irrigation District thanks the California Air Resources Board (CARB) for the opportunity to submit public comments on the August 30, 2022 45-day regulatory package of the California Air Resource Board's (CARB) Advanced Clean Fleets (ACF) rule for public fleets.

TID Background

TID was organized as the first Irrigation District in California on June 6, 1887 and is currently in its 135 year of operation. Presently, the District serves a retail electric customer base of just over 100,000 accounts and provides irrigation water to nearly 6,000 growers and nearly 150,000 acres of farmland. Of the 14 communities TID serves, 11 are classified as Disadvantaged Communities according to the Department of Water Resources ("DWR") and the majority of our service territory is in the top 20% of Cal Enviroscreen 3.0 impacted communities.

As one of eight Balancing Authorities in California, TID has a direct relationship with both its commercial and residential customers. Our ethos is to provide stable, reliable, and affordable water and power to our customer owners, be good stewards of our resources, and provide a high level of customer satisfaction through clear, concise communication. As a Balancing Authority ("BA") TID is also tasked with balancing retail demand generation, and wholesale purchases and sales, while providing adequate reserve capacity to maintain grid reliability.

TID thanks CARB staff for the August 30, 2022 release of the ISOR and Draft Regulation for State and Local Government Agency Fleets Requirements. TID's comments are made in the hope of refining the existing regulatory language to ensure reliability for our customers.

Discussion

I. A robust definition of "commercially available" within the Advanced Clean Fleets rule is necessary

Turlock Irrigation District supports the Southern California Public Power Authority,[1] Northern California Power Agency,[2] and California Municipal Utilities Association[3] (collectively, the "Joint Public Agencies") recommendations for structuring the ZEV unavailability exemption in the ACF regulation. When considering the criteria determining commercially available vehicles, TID would emphasize the importance of ensuring the MSRP of the zero-emission vehicles (ZEVs) does not exceed 133% of the price of average internal combustion engine (ICE) vehicles for the specific weight class. As stated in a previous comment letter, the cost accompanying the purchase of a ZEV extends beyond the purchase of the vehicle and includes the necessary training for fleet staff to handle these alternative fueled vehicles and the critical infrastructure cost associated with the facilities where fleet vehicles are domiciled.[4] As an illustration of cost, one kilowatt is equivalent to one mile of driving; batteries cost $1,000 per kilowatt; to obtain 250 mile ZEV range, the battery cost would be roughly $250,000 dollars. The costs associated with ZEVs add up quickly for utility fleets. By ensuring that the MSRP of the ZEVs does not exceed 133% of an ICE vehicle when determining what is commercially available, CARB will allow public agencies more time to make facility infrastructure upgrades and train staff how to handle these emerging vehicles. This criteria being built into how CARB defines commercially available reduces risk to public agencies capital budgets and minimizes risk of costs being passed onto the utility ratepayer. TID would strongly encourage CARB to integrate the cost protection

[1] The Southern California Public Power Authority (SCPPA) is a not-for-profit joint powers agency formed in 1980 to facilitate joint power and transmission projects for its local publicly owned electric utility members. SCPPA consists of eleven municipal utilities and one irrigation district – the cities of Anaheim, Azusa, Banning, Burbank, Cerritos, Colton, Glendale, Los Angeles, Pasadena, Riverside, and Vernon, and the Imperial Irrigation District – who collectively serve nearly five million people throughout Southern California.

[2] The Northern California Power Agency (NCPA) is a nonprofit California joint powers agency established in 1968 to construct and operate renewable and low-emitting generating facilities and assist in meeting the wholesale energy needs of its 16 members: the Cities of Alameda, Biggs, Gridley, Healdsburg, Lodi, Lompoc, Palo Alto, Redding, Roseville, Santa Clara, Shasta Lake, and Ukiah, Plumas-Sierra Rural Electric Cooperative, Port of Oakland, San Francisco Bay Area Rapid Transit (BART), and Truckee Donner Public Utility District—collectively serving nearly 700,000 electric consumers in Central and Northern California.

[3] The California Municipal Utilities Association is a statewide organization of local public agencies in California that provide electricity and water service to California consumers. CMUA membership includes publicly owned electric utilities that operate electric distribution and transmission systems. In total, CMUA members provide approximately 25 percent of the electric load in California.

[4] Turlock Irrigation District Comments on September 9 2021 Advanced Clean Fleets Workshop

criteria outlined in the Joint Public Agencies comment letter into the definition of commercially available. Likewise, TID strongly supports the recommended language below for the definition of commercially available.

Section 2013 (b)

"Commercially available" vehicle configuration means the following:

(A) The vehicle configuration is available from at least three vehicle manufacturers as a zero-emission powertrain certified model in accordance with 13 CCR 1956.8, at least 25 units of each model has been placed into service, and each manufacturer has at least two years' experience selling vehicles in California. If the vehicle configuration requires upfitting, these requirements shall apply to both the manufacturer of the incomplete chassis and the upfitter.

Discussion

II. CARB should modify the purchase start date to 100% by 2030 for public fleets

TID believes CARB should move the 100% purchase requirement start date to 2030 for all public fleets, including those in low-population designated counties. CARB stated in the Initial Statement of Reasons (ISOR) for the High-Priority Fleets, "These vehicles present the most challenges for electrification …. Specialty vehicles are produced in small volumes, often on custom chassis, and may have significant power needs while stationary which can significantly increase the need for energy storage. Recognizing these issues, the proposed regulation delays the phase-in start date for these vehicles to 2030.[5]" TID believes there is going to be an inevitability that most public agencies will be utilizing a combination of either the Unavailability Exemption and/or the Daily Use Exemption should CARB elect to stay with a January 1, 2024 50% purchase requirement as CARB indirectly pointed out in the ISOR for the High-Priority Fleets. Pushing back the ZEV purchase requirement not only provides entities with an opportunity to design and deploy charging infrastructure and train personnel to handle ZEV vehicles but also gives manufacturers additional time to develop vehicles that are compatible with the public agencies fleet operations. A 100% purchase requirement beginning in 2030 will allow public agencies like TID the critical time necessary to adjust capital budgets to account for associated ZEV cost. As CARB noted in the Standard Regulatory Impact Assessment Report (SRIA) the current costs of ZEVs may start at 20% above their ICEV counterparts but can

[5] https://ww2.arb.ca.gov/sites/default/files/barcu/regact/2022/acf22/apph2.pdf

routinely reach 2-3 times the cost of their ICEV counterparts.[6] For public fleets and agencies such as TID a 20% increase in our capital budget would be a significant burden that a 2030 100% purchase requirement would alleviate. Finally, a 2030 100% purchase requirement would give manufacturers five years to develop and refine heavy duty ZEVs that could be trusted to operate in the multitude of ways necessary for water and energy service providers.

TID strongly supports the Joint Public Agencies suggested modification for Section 2013(d)(1)(B) and Section 2013(d)(2)(A) with the suggested edits below.

Section 2013 (d)(1)(B)

Starting January 1, 2030, ~~January 1, 2027,~~ 100 percent of the total number of vehicle additions to the California fleet in each calendar year must be ZEVs.

Section 2013 (d)(2)(A)

Starting January 1, 2030 ~~January 1, 2027~~, 100 percent of the vehicle additions to the California fleet in each calendar year must be ZEVs.

Discussion

III. CARB should include a ZEV availability list as opposed to an unavailability list

TID appreciates CARB staff's intent to maintain a list of eligible ICE vehicle configurations that are market ready.[7] However, TID believes that CARB should instead develop an availability list. TID believes that a vehicle availability list would create less ambiguity because this list would be closely tied to the "commercially available" definition criteria manufacturers would need to meet. The definition of commercially available and the criteria laid out in the Joint Public Agencies letter would allow TID staff to confirm a ZEV vehicles ability, review vehicle configurations, and provide public transparency. Furthermore, CARB already has experience keeping lists of emerging ZEV vehicles through the HVIP program. TID would encourage CARB to expand upon these lists in the ACF regulation. TID would cite the Joint Public Agencies example, provided below, to illustrate how this process may take shape.

[6] https://ww2.arb.ca.gov/sites/default/files/barcu/regact/2022/acf22/appc.pdf
[7] https://ww2.arb.ca.gov/sites/default/files/barcu/regact/2022/acf22/appa1.pdf

Class 2b-3 Pickups ***Commercially available effective X/X/XX****	**Class 6 Water Truck**	**Class 7 Digger Derricks**
Model 1, Manufacturer A, Year/Make Model Model 2, Manufacturer B, Year/Make Model Model 3, Manufacturer C, Year/Make Model Model 4, Manufacturer D, Year/Make Model	Model I, Manufacturer X, Year/Make Model Model II, Manufacturer Y, Year/Make Model (price > cap) Model III, Manufacturer Z, Year/Make Model (price > cap)	Model J, Manufacturer X, Year/Make Model

Conclusion

TID appreciates the opportunity to submit comments on the proposed Advanced Clean Fleets regulation. As a publicly owned utility TID is committed to meeting California's public health and climate goals through reducing transportation greenhouse gas (GHG) emissions. TID would urge CARB to implement the recommendations provided on behalf of the Joint Public Agencies written comment letter on the August 2022 45-day regulatory package of the California Air Resource Board's (CARB) Advanced Clean Fleets (ACF) rule for public fleets as these recommendations comprehensively reflect the needs of public agency fleets across California.

Respectfully submitted,

Austin Avery

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