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The Honorable Liane Randolph Honorable Members of the Board California Air Resources Board P.O. Box 2815 Sacramento, CA 95812-2815

Subject: Comments on the Proposed Advanced Clean Fleets Regulation

Dear Chair Randolph and Members of the Board:

Southern California Gas Company ("SoCalGas") appreciates the opportunity to comment on the California Air Resources Board's (CARB) Proposed Advanced Clean Fleets (ACF) Regulation. This regulation will result in significant emission reductions and the transformation of mediumand heavy-duty trucking along with the State's electrical and energy systems.

It's in the public interest for the state to move toward zero-emission medium- and heavy-duty vehicles by 2045 for all operations where feasible, as outlined in Governor Gavin Newsom's Executive Order [EO N-79-20].¹ As part of SoCalGas' Aspire 2045 sustainability goals, we plan to operate a 100% zero emissions over-the-road-fleet by 2035.² In fact, SoCalGas recently announced plans to test Ford's F-550 Super Duty Hydrogen Fuel Cell Electric Truck and evaluate the prototype truck's performance under real-world conditions.³ This demonstration is a critical interim step toward finding real-world solutions to decarbonize heavy-duty transportation, including our utility fleet.

The State's efforts, coupled with SoCalGas' fleet turnover goals, will improve air quality, reduce GHG emissions, and benefit citizens within our service territory and throughout the State. SoCalGas intends to transition our fleet by 2035 thoughtfully and safely, all the while continuing to provide the reliability of service our customers expect. By committing to exceed the State's goal, we look forward to working collaboratively as a leader in the clean transportation transition.

¹ See Executive Order N-79-20, available at https://www.gov.ca.gov/wp-content/uploads/2020/09/9.23.20-EO-N-79-20-Climate.pdf.

² See <u>SoCalGas_Sustainability_Strategy_final.pdf</u>

³ See <u>SoCalGas to Test Drive Ford's Prototype F-550 Super Duty Hydrogen Fuel Cell Electric Truck | SoCalGas Newsroom</u>

As such, SoCalGas respectfully suggests that the ACF Regulation: 1) clearly define and establish criteria for "commercially available;" 2) clearly define the exemptions and the exemption process; and 3) prioritize the purchase of the cleanest Internal Combustion Engine (ICE) feasible when utilizing the Zero Emission Vehicle (ZEV) Unavailability Exemption.

(1) Clearly Define and Establish Criteria for "Commercially Available"

The Proposed ACF Regulation focuses on a 100 percent ZEV fleet beginning as early as 2024.⁴ While the regulation seems to recognize that in certain circumstances a ZEV or near-zero emission vehicle (NZEV) may not be available to purchase, it fails to define the term "commercially available." As noted by stakeholders in CARB workshops, public meetings and public comments for this regulation, ZEV technology is not commercially available to meet the needs of all duty cycles of Class 8 HD trucks today and unlikely to be available by 2024. As such, we suggest that the regulation clearly define and establish criteria for the term "commercially available" that consider the following: vehicle range, vehicle cost, payload needs, reliability, one-to-one replacement, and availability and effectiveness of fueling or charging infrastructure.

(2) Clearly Define the Exemptions and the Exemption Process

SoCalGas appreciates that there will be exemptions for vehicles that do not have zero emission options, particularly for specialty vehicles. However, exemptions and the exemption process are not detailed in the Regulation. The proposed regulation establishes that exemptions be granted on a case-by-case basis by the Executive Officer utilizing their "good engineering judgment;" such an ad hoc process is likely to give rise to inherent variability leading to inconsistent results.⁵ A scenario could arise where regulated entities submit a large volume of exemption requests, with CARB staff having to individually review each vehicle to decide if an exemption will be granted. Instead, SoCalGas suggests the use of clear criteria that would automatically qualify a regulated entity for an exemption, addressing the potential issue of inconsistent results. Clear criteria would provide certainty regarding applicability of the exemption, allowing entities to better plan for their purchases. Knowing if vehicles qualify for an exemption early in the process through clear criteria would give entities more flexibility in turning over their fleets to zero emissions. One such criterion should be based on a one-to-one replacement for vehicles. If a vehicle cannot be replaced with one zero emission vehicle without significant changes to operations or if more than one vehicle is required to replace that vehicle, an exemption should be allowed.

(3) Prioritize the Purchase of the Cleanest ICE Feasible when Utilizing the ZEV Unavailability Exemption

The Proposed ACF Regulation overlooks an opportunity to reduce oxides of nitrogen (NOx), diesel particulate matter (DPM), and greenhouse gas emissions when fleets need to purchase a new internal combustion engine (ICE) vehicle per the ZEV unavailability exemption. Currently, the regulation *does not* prioritize utilizing the cleanest ICE vehicle feasible; instead, the ACF equates

⁴ "Draft Advanced Clean Fleets Regulation," CARB, 2022.

⁵ Ibid.

diesel and natural gas near zero emission (NG NZE) trucks as equivalent technologies.⁶ CARB Staff should ensure that NG NZE trucks operating on renewable natural gas (RNG) are included as part of the suite of fuel/technology pathways that CARB pursues in ACF to expedite emission reductions. Most of the NOx emissions from heavy-duty engines come from diesel-cycle engines, especially in the higher weight classes⁷ and studies continue to show that 0.02-certified NG engines pollute significantly less than diesel.⁸ It is, therefore, in the public interest to implement a procurement prioritization within the ZEV unavailability exemption that establishes criteria to purchase the cleanest ICE feasible. Excluding this from the ACF promotes the purchase of HD diesel trucks over NG NZE trucks fueled by RNG, thereby proliferating higher NOx, DPM, and GHG emissions and negatively impacting the environment and public health, particularly in disadvantaged communities⁹.

Conclusion

SoCalGas appreciates the opportunity to comment on the Proposed ACF Regulation. SoCalGas is fully committed to our goal of having an all-zero-emission fleet by 2035, 10 years ahead of the State's requirements. Working with CARB and stakeholders on flexible solutions will ultimately expedite the turnover of our fleets. SoCalGas looks forward to collaboratively pursuing our shared interest in achieving both air quality and climate goals in California.

Respectfully,

/s/ Kevin Barker

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⁶ "Draft Advanced Clean Fleets Regulation," CARB, 2022.

⁷ See 2022 State SIP Strategy, p. ES55

⁸ CARB. In-Use Emission Performance of Heavy Duty Natural Gas Vehicles: Lessons Learned from 200 Vehicle Project. July 2021.

⁹ See 2022 State SIP Strategy, p. ES2, 16