



City Council
311 Vernon Street
Roseville, California 95678

October 17, 2022

Ms. Liane Randolph
Chair
California Air Resources Board
1001 I Street
Sacramento, CA 95814

Re: Advanced Clean Fleets Draft Regulation

Dear Chair Randolph:

On behalf of the City of Roseville (Roseville), I write to provide comments to the California Air Resources Board (CARB) regarding the Advanced Clean Fleets (ACF) Draft Regulation, specifically the provisions for public fleets and the cost assumptions.

Roseville is the largest city in Placer County with a population over 141,500 and 42.26 square miles of land. As a full-service city, Roseville provides most essential utility and public services to its citizens, everything from public safety, electricity, water, wastewater, to solid waste management. These utilities serve just under 50,000 residence and businesses. This requires the city to maintain a large, diverse, and capable fleet. Roseville is committed to sustainability and can appreciate the task the ARB is trying to accomplish with this rulemaking; however, CARB has failed to address our concerns which will lead to burdensome tax and fee increases to comply with a regulation that “ignores market realities.”¹ While some minor accommodations have been made to allow finite flexibility for Roseville’s fleet, the proposed rule fundamentally undermines a major capital outlay project that will lead to unnecessary tax/fee burdens for our residents without significant environmental benefits.

SB 1383 Compliance

This technology forcing rule creates conflict with public agencies and their ratepayers that faithfully invested in statutory compliance to mitigate methane and divert organics from landfills. In our prior letter² and several meetings with board staff we have raised the conflict that this rulemaking creates with the energy recovery project developed to comply with statutory obligations the city has for organic waste and methane mitigation. Roseville’s organics diversion and methane recovery project was financed with use in an ultra-low NO_x fleet of refuse trucks.

The emission reductions from the utilization of biogas in our refuse fleet exceed the benefits of adoption of zero-emission trucks based on our analysis of electricity carbon intensity during the time of day this fleet would be charging compared to the carbon intensity of the biogas generated from anerobic digestion of diverted organics.

Municipalities, publicly owned wastewater treatment plants (POTWs), and refuse fleets should be provided dispensation through an alternative compliance pathway in this rule as the economic and environmental value of mitigating the short-lived climate pollutant, methane, exceeds the benefits of

¹ <https://www.calcities.org/news/post/2022/09/28/proposed-zero-emission-fleet-regulations-place-heavy-burden-on-cities-ignore-market-realities>

² <https://www.arb.ca.gov/lists/com-attach/116-acf-comments-ws-VTYAaQd0Aw9WMQdk.pdf>

forcing adoption of zero-emission vehicles (ZEV). “Early investment by the city to deploy RNG to our fleet provides a ~44.91% to 26.07% lower carbon intensity from the evening grid average today...”³

This rule incentivizes perpetual use of diesel with a carbon intensity over five times greater than biogas, until the transition to ZET is viable forgoing the near term, almost immediate, and significant emission reductions from the utilization of biogas in the refuse fleet. Without the option to utilize biogas produced from the energy recovery project that was executed to comply with CARB’s Short-lived Climate Pollutant Strategy, the City will be upside down⁴ on the financing which was based on displacement of diesel procurement with the facility generated biogas. Due to requirements of this rule the City will need to divert capital away from procurement of an ultra-low NOx fleet to use this biogas and toward ACF compliance and infrastructure needs, leaving diesel as the primary driver of the City’s refuse fleet. By limiting SLCP mitigation at this facility to power generation from biogas in microturbines, the cost and financing issues will be exacerbated, not to mention that surplus of biogas that will need to be flared or injected into a pipeline at a significantly lower economic and environmental value to the taxpayers.

Keep Working

We want to reiterate our previous comments⁵ about the exemption process, cost-assumptions, near-zero definition, and emergency response. These concerns are broadly shared and should be worked out prior to adoption. This rulemaking continues to cause significant compliance and cost concerns that have not been addressed in the last year and we urge the Board Members at CARB to order staff to keep working. Adopting this regulation on October 27th undermines stakeholders and the public’s ability to get the necessary changes for a cost-effective transition that matches the capacity to pay and availability of no-regret technology adoption.

For example, the May draft included updates based on purchase orders, but the current draft has a change that states:

“(d) (1) (A) Starting January 1, 2024, 50 percent of the total number of vehicle additions to the California fleet in each calendar year must be ZEVs; and”

This amendment creates uncertainty and further puts CARB staff in a position to make discretionary decisions in interpretation should an enforcement action be needed. This enforcement discretion is woven throughout the rule including the exemption process which is far too burdensome on CARB staff and the number of compliance entities to be feasible or efficient.

Additionally, fleet operators like the City do not have enough experience or even testing with many of the vehicles CARB staff claims to be available. This lack of testing and trials creates tremendous uncertainty and doubt that these vehicles can sufficiently complete their daily tasks and meet the needs of the various departments that the City has to service the public good. The claims of vehicle manufacturers are not meeting the reality of the demonstrations when we are able to test them and in the case of refuse and utility fleets there is virtually no experience with power takeoffs (PTO) and the equipment that our current fleet powers.

Beyond the conflicts with existing policy and issues with the pace of infrastructure or lack of real-world experience with the new technology, this rule is structurally cumbersome and needs to be reworked prior to adoption. As many stakeholders with compliance entities have raised, this rule is simply not ready to be implemented and CARB should take the time to keep working through the details prior to voting on this rule.

³ Ibid

⁴ Project financing was based on approximately \$3.50-\$4.00/gallon diesel, if cost recovery is focused on stationary power generation a diesel gallon equivalent of natural gas is approximately 3 times less valuable.

⁵ Ibid

Cost-Effective and Technologically Feasible...

Roseville remains concerned with the cost-effectiveness and technological feasibility of this rule, specifically as it pertains to our refuse fleet and vehicles with power takeoffs (PTOs) needed for the hydraulic system that operates container lifting arms and compactors. While ranges of some of the larger concept vehicles proposed as solutions for our refuse fleet might achieve route distances there is no information or study, to our knowledge, that would allow us to analyze the energy efficiency ratio (EER) of trucks in this vocation. We attempted to analyze the proposed concept chassis and drivetrains from several manufacturers based on their website data. Utilizing a CARB report of Battery Electric Truck and Bus Energy Efficiency.⁶ However, this analysis only elevates the uncertainty that the vehicles being offered will not serve the needs. We used average speeds and fuel consumption for our routes as a proxy and were able to completely rule out one of the offerings as unable to meet daily route distances, while the other might be adequate. That said, the PTO adds energy consumption that is unaccounted for and could skew the results significantly.

This rule ignores the necessary infrastructure that the fleets will rely on. Charging and hydrogen refueling come with significant equipment and labor costs that CARB will rely on slow and complex California Energy Commission (CEC) grants to offset. It is disappointing that CARB has opted to divorce this rule from the infrastructure requirements which far exceed the State's ability to fund and support at the scale and pace of the fleet deployment requirements in this rule.

Furthermore, the pace and scale of this rule's requirements will place tremendous costs on the residents of Roseville and our utilities. Broadly speaking policies adopted by CARB are supposed to be cost-effective however, the narrow construction of this rule and its exemptions create costs that are unnecessary to achieve the environmental outcomes. Additionally, due to the expansive and un-nuanced approach to the entire fleet, cost-effective investments made in compliance to the Short-lived Climate Pollutant (SCLP) Strategy regulations will be upside down. CARB should align its own goals and regulations to avoid this conflict prior to adoption of this regulation.

Conclusion

Roseville is pursuing a progressive, environmentally sound, and robust strategy to decarbonize our city. We want to ensure that policy does not overburden our residences and add to the mounting regulatory costs of California's rigorous goals. We look forward to continuing to work with the ARB on striking an appropriate balance to initiate the development of compliant vehicles while mitigating the costs to the residents and businesses we serve.

If you or your staff have any questions, please contact Noelle Mattock at (916) 297-2177 or NCMattock@Roseville.ca.us.

Sincerely,



Krista Bernasconi, Mayor
City of Roseville

cc: Board Members, California Air Resources Board
Steve Cliff, Executive Officer, ARB
Craig Segall, Deputy Executive Officer, ARB
Sydney Vergis, Chief, ARB
Tony Brasil, Branch Chief, ARB
Joe A. Gonsalves & Son
The Gualco Group, Inc.

⁶ <https://ww2.arb.ca.gov/sites/default/files/2018-11/180124hdbvefficiency.pdf>