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Re: California Municipal Utilities Association's Comments March 2, 2021, and March 4, 2021 Workshops on the Proposed Advanced Clean Fleets Rule

The California Municipal Utilities Association (CMUA) appreciates the opportunity to submit these comments on California Air Resources Board's (CARB) Proposed Advanced Clean Fleets (ACF) Rule as presented at the March 2 and March 4 ACF Workshops.

CMUA 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 (POUs) that operate electric distribution and transmission systems that serve approximately 25 percent of the electric load in California, and public water agencies that serve approximately 75% of California's water customers. California's POUs and publicly owned water agencies are committed to, and have a strong track record of, providing safe, reliable, affordable, and sustainable electric and water service. CMUA supports the state's goals for increased use of near-zero-emission and zero-emission vehicles (ZEVs), where feasible and cost-effective. California's POUs and public water agencies use medium- and heavy-duty (MHD) fleet equipment to build and maintain the infrastructure needed to support California's clean energy and clean water goals.

CMUA is a signatory to the Specialty Vehicle Fleet Coalition comment letter submitted on April 2, 2021.[1] In addition to the positions expressed in that letter, CMUA provides the following comments:

1. Before implementing a minimum purchase mandate, CARB must ensure that the technologies are practical and will work as needed by electric and water utilities.
2. CMUA members participate in programs to provide incentives to purchase electric vehicles (EVs) but do not support or advocate for a mandatory purchase requirement.
3. CMUA supports an exemption option and offers suggestions to consider when developing the exemption language.

1. A Proposed Regulation Must Recognize the Operational Requirements of Utility and Water Agency Fleet Vehicles

California's POUs and water agencies rely on MHD and specialty vehicles that need to operate in a variety of weather conditions, travel long distances and operate for unknown durations when they arrive at their destination. Before implementing a minimum purchase requirement, the MHD EV technology must be proven to meet the operational requirements of California's POUs and publicly owned water agencies. In order to develop feasible regulations, CMUA offers these comments to assist understanding of these requirements.

a. Utility Fleet Vehicles Provide Emergency Service

Each POU and water agency MHD fleet vehicle must be capable of responding to an emergency in order to restore electricity and water service. Such emergencies can include severe windstorms, wildfires, and earthquakes that damage or destroy critical electricity and water infrastructure. California has recognized this need most recently when the Department of Public Health recognized utility workers (Electricity, gas, water, and waste) as Emergency Services workers for purposes of vaccine eligibility.[2] These same workers rely on the MHD fleet equipment in order to respond to such emergencies. When an emergency hits a community, it is imperative these services

[1] See *Coalition Comments on the March 2nd and 4th, Advanced Clean Fleets Workshops*, at https://www.arb.ca.gov/lists/com-attach/2-acf-comments-ws-AWJcNlUxAzFSOgZZ.pdf.
[2] See: https://www.cdph.ca.gov/Programs/CID/DCDC/Pages/COVID-19/VaccineAllocationGuidelines.aspx.

resume as soon as possible. POU and water agency fleet vehicles are the linchpin to service restoration.

State policy must recognize that *every* utility MHD fleet vehicle must be available to respond in emergencies, often through a mutual aid agreement and/or in conjunction with first responders. In responding to an emergency incident, CMUA members are often embedded into the incident command structure and their vehicles provide a critical tool for their response efforts. When providing emergency service response, utility vehicles may be at remote worksites for an unknown duration. For example, in response to the Loma Prieta earthquake, CMUA members report that utility vehicles were not able to return to their yards for an extended duration, with some being out for over two weeks. In such emergencies, utility vehicles are used in areas to rebuild the electric and water infrastructure, where charging infrastructure has been damaged or destroyed. Often these utility emergency operations occur in remote areas and under extreme weather conditions, including wind, rain, and blizzards with deep snow. Under these conditions, utility workers also rely on their vehicles to serve as shelter. In such circumstances, the health and safety of utility workers relies on the appropriate application of feasible technology.

A mandate to purchase a vehicle that cannot support the work needed, including emergency service response, introduces an unreasonable risk to utility systems, workers, communities, and the public. POUs and water agencies must be able to respond to emergencies in a timely manner in order maintain reliable water and energy supply.

b. POUs and Water Agencies Are Best Positioned to Understand Their Operational Needs

CMUA supports a process that allows a POU or water agency to determine when an emerging zero emission vehicle (ZEV) technology will meet the needs for the vehicle, but members oppose premature efforts to purchase MHD ZEV vehicles without sufficient evidence demonstrating the vehicles' capabilities and reliability under a variety of operating circumstances. Electric and water utilities require that technology be mature, with a robust record of successful deployment. California's POUs and water

agencies are best equipped to understand their needs and to know when, or if, there is a viable application to introduce ZEVs into their fleets.

c. California's POUs and Water Agencies Must Plan for All Potential Service Needs

In order to better inform regulations, CARB actively seeks information about how vehicles are typically used. Regulations developed to work with *typical* or *average* use patterns may work for some fleet owners or operators. However, California's POUs and public water agencies cannot limit their planning to an average daily schedule. Each MHD vehicle in electric and water utility fleets must be available, at any moment, to respond to an emergency. In the event of severe storms or earthquakes, utility crews and equipment are often deployed around the clock in order to resume critical water and electric services. Utilities need to be able to deploy equipment, including MHD fleet vehicles, for extended and often unknown duration and in remote areas without access to electric refueling. CMUA urges CARB to recognize that the state's POUs and water agencies support important electric and water infrastructure and not restrict their ability to provide this critical emergency service.

d. Utility Fleets Are Used to Develop and Maintain the Charging Infrastructure Needed to Grow Electric Transportation, Often Operating in Areas Without Charging Access

California's POUs see themselves as partners with the State to develop and maintain the infrastructure needed to achieve our shared clean transportation goals. However, this work is often performed where there is no infrastructure available to support charging EVs. In this circumstance, although a MHD EV would not be feasible, because of the work being performed by utility professionals, the vehicle would still be supporting an increase in EV uptake.

Additionally, for many utility vehicles, the trip to the jobsite is not the only energy requirement, these vehicles often continue to use energy once at the jobsite. Whether this is a boom truck, stake truck with crane, truck mounted filtration, auger truck, etc., these MHD vehicles continue operations after the trip; their energy demands do not end with the travel to the jobsite. Since these vehicles are often at jobsites without available charging infrastructure, the potential on-board battery capacity could prove to be

infeasible with current technology. State policies should recognize that certain MHD fleet vehicles may require continuous energy while workers perform their duties on a job site, often for long periods of time.

Regulatory requirements must align with the actual capabilities and uses of those vehicles, including the typical need for vehicles to operate for long periods of time at remote worksites without charging infrastructure.

2. CMUA Supports the Exemption Concept

CARB staff has introduced the concept of a purchase exemption in the event that appropriate ZEV MHD technology does not yet exist or that there are not enough suppliers to serve the needs of the public fleets. While CMUA supports the concept of an exemption, an exemption option should not substitute for a rule that is built on a clear and robust understanding of the actual availability of MHD ZEVs that can meet the requirements for utility MHD fleet vehicles.

As presented at the March 2 and 4 workshops, CARB staff presented a limited exemption concept that may exempt fleets from a mandatory ZEV purchase, including:

i. *ZEV vehicles or chassis were not available from one or more manufacturers*
ii. *Available ZEV chassis could not be upfitted to meet fleet needs, or*
iii. *If there were vehicle manufacturer delays.*

Staff indicated at the workshops that details on the exemption process remain to be developed. To that end, CMUA suggests the following considerations for an exemption.

a. The Exemption Process Should Expeditious

Delays present significant challenges for POUs and public water agencies. For many smaller utilities, a single vehicle takes on a larger proportionate share of the utility's fleet. Alternatively, larger utilities often purchase vehicles in groups, not just one at a time. As a result, a delay can have a deleterious impact on the utility's ability to safely maintain its system. An exemption process should recognize the adverse impact of delaying the purchase of important maintenance equipment. To that end, CMUA encourages CARB to establish a firm timeline to review and decide on an exemption

claim. In order to assure timely outcomes on claims, in the event that a decision is not provided before the end of the specified timeframe, the exemption claim should be automatically approved.

b. Appeals on Exemption Decisions

California's POUs and public water agencies depend on their MHD fleet vehicles to provide maintenance support in demanding environments. The technical requirements of these vehicles are extensive. If forced to deploy equipment that is not suitable to the work requirements, the reliability of California's electric and water systems, as well as the safety of utility workers and the general public could be put at risk. As such, it is important that any decisions on exemption claims accurately incorporate a full understanding of the vehicle needs. In the event that a negative decision has been rendered on an exemption claim, CMUA encourages CARB to authorize an appeals board that includes members with direct experience in requirements of MHD vehicles in POU and public water agency fleets, full awareness of the available MHD ZEV products, and experience deploying MHD ZEV equipment in electric and water system maintenance in California.

c. The Exemption Process Should Recognize the Need for Proven Technology

Electric utilities and water agencies operate fleets with unique equipment that is put to very specific use. Further, California's electric and water utilities face more diverse work environments and greater operational demands than do utilities in most other states. Be it mountains, forests or deserts, extreme heat or snowstorms, California's utility fleet vehicles must be proven to be able to support the required work. CMUA's members follow a rigorous process to confirm the feasibility, functionality, and quality of potential fleet vehicles. Only equipment with a robust history of proven application is eligible for consideration. The safety and reliability of California's electric grid and water system requires this. Experimental or unproven technology can create too great of a risk. As a result, CMUA suggests that CARB's exemption concept recognize that California's utility and water fleets are not the place to give a new technology "its first real world test". Only vehicles, including the upfitted equipment, with

a robust and extensive history of successful use in the field should be eligible for consideration under this regulation.

d. The Exemption Process Should Recognize Public Purchase Requirements

As proposed, the limited exemption concept could be applied if ZEV vehicles were not available from one or more manufacturers. As public agencies, many CMUA members must issue competitive solicitations for major purchases. It is typical for public agencies to require bids from multiple qualified suppliers who meet all bid specifications. As such, CMUA suggests that circumstances in which there are fewer than two fully qualified suppliers would qualify for an exemption.

e. The Exemption Process Should Include Training and Testing Needs

In order to maintain the safest possible work environment and to maintain safe and reliable electric and water systems, professional utility workers are extensively trained in operating and maintaining fleet equipment. Many CMUA members require extensive testing and training on new equipment before it can be procured. Given the emergent nature of ZEV technology for utility MHD application, this testing and training could delay vehicle delivery and deployment beyond the availability requirement for a specific utility. The exemption concept should recognize that testing and training on an unused vehicle technology could extend the purchase timeline and exclude a vehicle from a specific purchase.

f. The Exemption Process Should Clearly Recognize Utility Specifications

Because utility MHD vehicles face such unique and diverse application requirements, POUs and water agencies clearly define requirements and specifications in solicitations for new equipment. The exemption language in the final regulation must include clear and specific language confirming that the operational requirements and specifications for new purchases, as established by the utility, will determine whether a qualified ZEV product is available.

g. The Exemption Process Should Include Emergency Service Requirements

As proposed, CARB's exemption concept would provide an opportunity for exemption in the event that the vehicle cannot be upfitted to meet fleet needs. CMUA supports this exemption cause but notes that it must also include the need for fleet vehicles to be able to operate for unknown duration, without access to charging infrastructure. California's electric and water utilities must be able to continue to procure MHD fleet equipment that can operate around the clock for indeterminate duration.

3. CMUA Supports Incentives to Promote Electric Transportation

California has developed state-wide and targeted incentive programs that have successfully expanded clean transportation options without imposing purchase mandates. Such incentives include California's Low Carbon Fuel Standard (LCFS) program and the State's Clean Fuel Rewards (CFR) program. CMUA members are clean transportation fuel providers in the LCFS program and actively participate in the implementation of the CFR program. Further, CMUA is supporting and encouraging other incentives, such as state sales tax exemptions or optional master service agreements to help public water agencies and POUs buy MHD ZEVs where feasible.[3] Additionally, many CMUA members have developed specific incentives to promote EV uptake, including specific rate structures to promote EV charging as well as utility-specific programs that provide incentives for purchase of EVs or EV charging equipment.

Fundamental to all these efforts is that an incentive is provided, but there is no mandate for purchase. CMUA supports incentives of this type that allow vehicle purchasers to determine the applicability of EV technology to their specific needs. We support a similar approach for increasing uptake in MHD ZEVs. Financial incentives to promote uptake of MHD ZEVs could include direct financial rebates, lending support, direct grant programs, and sales tax holidays, among others.

[3] See Assembly Bill 1110 (R. Rivas), as introduced on February 18, 2021, and amended on March 23, 2021.

Incentive programs can promote MHD ZEV uptake while enabling individual organizations, who are best capable of evaluating the feasibility of MHD ZEVs, to identify where ZEVs would be appropriate for their specific requirements.

4. Conclusion

CMUA appreciates the opportunity to submit these comments and looks forward to collaborating with CARB on the development of the ACF rule.

Respectfully submitted,

/s/

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