



Metropolitan Transit System

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October 21, 2019

Mary Nichols, Chairwoman
California Air Resources Board
1001 I Street
Sacramento, CA 95814

RE: Maximize Investment in Zero-Emission Buses in FY 2019-20 Funding Plan for Clean Transportation Incentives

Dear Chairwoman Nichols and Board Members:

On behalf of the San Diego Metropolitan Transit System (MTS), I write to you today to urge you to maximize the state's investment in zero-emission buses (ZEBs) and supporting infrastructure. This investment should flow to public transit agencies through the proposed Advanced Technology Demonstration and Pilots Projects, and the Hybrid and Zero-Emission Truck and Bus Voucher Incentive Project (HVIP). These funding sources are critical to offset the high upfront cost of ZEB deployments. Increased funding will support MTS's implementation of the Innovative Clean Transit (ICT) regulation while avoiding adverse impacts to our core transit service.

The California Air Resources Board (CARB) specifically selected the public transportation industry to serve as the testing ground for zero-emission heavy-duty technologies, despite chronic funding shortfalls and our primary role as mobility providers. The ICT regulation was adopted on the premise that the mass deployment of zero-emission buses by transit operators would develop the components, supply chains, knowledge, and experience necessary to electrify other heavy-duty industries. We believe that CARB's decision to prioritize the electrification of our fleets carries with it the commitment to also prioritize transit agencies when it comes to funding.

Similar to transit agencies across the state, MTS is working hard to implement the ICT regulation. Today, we have six ZEBs in operation and have two additional ZEBs on order, along with six electric chargers installed, and six more to be installed in 2020 as part of a pilot program. Our costs to date for the ZEB pilot program include:

- Six New Flyer battery electric buses - \$5,367,448
- Two Gillig battery electric buses - \$2,010,548
- Twelve ChargePoint electric chargers - \$717,572
- Construction design for twelve electric chargers - \$360,496
- Construction for six electric chargers - \$530,952
- **Total - \$8,987,016**

The high cost of the ICT regulation implementation, without any additional subsidy from the state, will eventually erode the level of transit service we can afford to provide.

At the very least, MTS and other transit agencies should be eligible to apply for the \$40 million for Advanced Technology Demonstrations and Pilot Projects. Looking back to the justification for the ICT regulation, we urge you to consider setting aside a portion of this funding for a large-scale demonstration of zero-emission buses, inclusive of infrastructure buildout. A demonstration of this kind could serve as a roadmap for transit agencies statewide that are still struggling through small-scale ZEB deployments and which will need to submit full fleet transition plans beginning in 2020.



We also urge you to consider modifying several of the programmatic changes proposed for HVIP with the goal of holding transit agencies harmless under the ICT regulation. More specifically, we recommend that CARB: (1) establish a set aside for zero-emission buses, ensuring that transit agencies receive a minimum funding level from the program; (2) preserve the voucher enhancement for infrastructure for transit agencies; and, (3) exclude public fleets from any reduction of voucher amounts. Additionally, if the program does become oversubscribed resulting in funding shortfalls, we recommend that the proposed annual fleet limits be lowered to 100 vehicles per applicant. This modification would prevent larger agencies or fleet procurements from exhausting the program and potentially limiting any assistance to smaller agencies.

MTS looks forward to continuing to work with you on the implementation of the ICT regulation. Thank you for considering our requests.

Respectfully Submitted,

A handwritten signature in black ink, appearing to read 'Paul Jablonski', enclosed within a large, loopy oval shape.

Paul Jablonski
Chief Executive Officer

cc: Virgil Welch, Senior Advisor, Office of the Chair
Jack Kitowski, Chief, Mobile Source Control Division
Lucina Negrete, Branch Chief, Mobile Source Control Division – Innovative Strategies Branch
Jason Crow, Mobile Source Control Division – Innovative Strategies Branch