



May 28, 2020

Honorable Chair Mary D. Nichols  
Honorable Board Members California Air Resources Board  
1001 I Street  
P.O. Box 2815  
Sacramento, CA 95812

Submitted online to the act2019 online comment submittal form.  
Re: Support for the Advanced Clean Truck Rule

Dear Chair Nichols and Honorable Board Members:

San Diego Gas & Electric Company (“SDG&E”) appreciates the opportunity to comment on the proposed Advanced Clean Truck (“ACT”) rule. We strongly support the rule, with a few recommendations.

#### THE ACT RULE IS A NECESSARY, LANDMARK ACTION TO MEET STATE CLIMATE AND AIR QUALITY GOALS

The State of California has set climate and air quality goals, informed by scientists, to reduce and combat the effects of greenhouse gas emissions (“GHG”) and pollutants. Organizations of all kinds have undertaken extensive measures to contribute to achieving these goals. SDG&E, for example, has achieved an energy portfolio comprised of more than 45% renewable energy. Achieving this portfolio mix required a concerted effort by SDG&E, as well as a transformation of the supporting supply chains for solar and wind generation and those that develop and install renewables.

To meet the state goals for GHG emissions and air quality, we must address the transportation sector as well, which accounts for the greatest share of GHG emissions and pollution in the state today. The medium- and heavy-duty (“MDHD”) vehicles sector contributes substantially more GHGs and pollutants than light-duty (“LD”) vehicles on a vehicle-by-vehicle basis. Thus, the ACT rule, which addresses the vast majority of MDHD vehicles in the state, is a landmark effort to lead the transition of MDHD vehicles to zero emission vehicles (“ZEV”).

CARB Staff (“Staff”) has done an excellent job balancing the concerns of vehicle manufacturers while ensuring the state can meet its goals. However, the previous iteration of the ACT rule, presented December 12, 2019, did not set targets strong enough to make sufficient progress toward state goals. Acknowledging this, the CARB Board (“Board”) directed Staff to strengthen the ACT rule. Staff’s new iteration of the ACT rule adheres to Board direction and sets targets that will keep the state on track to meet the prudent and necessary state climate and air quality targets set by law.

SDG&E acknowledges that market transformation is challenging. However, just as it was challenging to transition to nearly 50% renewable generation – and, just as it will be challenging to continue this transition to 100% zero emission energy production – it is important that we enact rules that allow us to meet state goals. SDG&E’s 45% renewable portfolio, which is both ahead of the state goal’s curve and was previously thought unattainable, is a testament to the ability for large, complex markets to shift,

and underscores the importance of enacting meaningful rules that provide regulatory certainty and policy direction. Possibly more relevant, there has been tremendous progress in the transition to ZEVs for LD vehicles. While the LD regulations were being established, some were claiming that the requirements were too aggressive. Again, however, the ambitious regulation, set by CARB, are keeping the state within reach of state goals.

Last, SDG&E would like to acknowledge the COVID-19 pandemic. Although this pandemic has created a dire situation, the appropriate response is to stay on course toward meeting air quality and climate goals. The science behind California's goals has not changed. SDG&E therefore supports the ACT rule, as a reasonable and crucial effort to keep within reach of meeting state mandates.

#### SDG&E IS READY AND ABLE TO SUPPORT THE INFRASTRUCTURE NEEDS REQUIRED BY THE ACT RULE

Successful implementation of the ACT rule hinges on installation of charging infrastructure to support the transition to ZEVs. SDG&E is duly aware of this infrastructure need and wants to affirm to CARB that we stand ready to execute our role in the electrification transition. For decades, California has built and maintained one of the world's most advanced electric grid. We have successfully responded to new load of all types for decades. The transition to EVs, similar to all meaningful transitions, will require planning and coordination between charging station vendors, vehicle OEMs, fleet operators, policy makers and utilities, but it should not be seen as an insurmountable hurdle. Our message to CARB is that SDG&E has that focus and is prepared to fill our role, as we have for decades.

In fact, SDG&E has already begun its preparation to provide the infrastructure for the ACT rule and similar CARB rules. First, we have created a dedicated team with a refined process to support requests for infrastructure through our New Service Request department. This self-led refinement originated from our commitment to transportation electrification and was informed by both EV charger companies and vehicle manufacturers. Second, in our Clean Transportation department, we have performed significant market analysis on how to best serve the MDHD market. More importantly, we have a Senate Bill 350 ("SB 350") MDHD-specific program approved and ready to provide infrastructure to support MDHD electrification. This MDHD program will support thousands of Class 2-8 vehicles, offering not just the infrastructure to defray the upfront costs, but also services for project management, engineering, and construction for infrastructure up to the charging station stub-up. Third, we have already successfully implemented four SB 350 pilots in the MDHD sector, serving over 125 MDHD vehicles, including shuttles, delivery trucks, airport ground support equipment, and port vehicles. Further, the California Public Utilities Commission recently approved an interim rate with lower demand charges to support MDHD vehicles. SDG&E anticipates a final longer-term rate to be approved later this year.

It is important that CARB and utilities continue to engage, as described below, and continue educating regulated entities on the electrification process. However, most of all, SDG&E emphasizes that we are ready and able to support the ACT rule in a timely manner.

#### WE RECOMMEND CONTINUED AND INCREASED COORDINATION WITH UTILITIES AND OTHER AGENCIES

Supporting the ACT rule is dependent on a successful rollout of charging infrastructure. While SDG&E stands ready with customer-friendly infrastructure programs via SB 350, these programs are not

designed to carry the entire market. Instead, they are meant to help catalyze the market. Charging infrastructure will also be installed via governmental agencies (e.g. CEC) and by the regulated entities engaging through our standard New Service Request process. The fact that multiple complementary infrastructure pathways exists is neither a barrier nor redundant. However, it underscores the importance of heightened collaboration with utilities, CARB, CPUC and CEC.

Informing the CPUC and CEC of the timelines necessary to meet CARB regulations, as well as the magnitude of the coming electrification needs, will give those agencies crucial information to develop their own strategies. Specifically related to SB 350 programs, it is important for utilities and the CPUC to understand how much utility support will be needed. With this information, utilities can plan in advance and time its navigation of the CPUC's application process to put forth infrastructure programs, innovative rates, and marketing, education & outreach support.

SDG&E would also like to encourage CARB to continue engaging with utilities for the purpose of educating each other about infrastructure-related processes and needs. The better informed each stakeholder is, the more effective workshops, regulations, and customer efforts will be. Further, both CARB and utilities can benefit by collaborating on shareable market information. SDG&E is committed to help contribute information where possible and would also appreciate receiving shareable information to inform its own analysis and preparation.

#### CONTINUED LEADERSHIP FROM CARB IN CONCERT WITH THE ACT RULE IS VITAL TO MEETING STATE GOALS AND A SUCCESSFUL ACT RULE IMPLEMENTATION

As CARB continues leading the state in the transition to ZEVs, it is imperative to continue developing a comprehensive system of complementary regulations to ensure the success of the ACT rule. The MDHD market is still dependent on the well-crafted incentives offered by CARB, like HVIP. Further, as mentioned above, collaboration with the CEC will allow the CEC to optimize its own MDHD incentive efforts. Without sustaining such incentive programs, there will be serious risk to achieving the ACT rule.

Just as important, SDG&E asks CARB to tie the planned Fleet rule to the provisions of this ACT rule. The manufacturer-purchaser ecosystem is indelibly linked. As such, we urge CARB staff to strategically link the Fleet rule to the ACT rule to provide leadership and direction to the market. SDG&E also supports CARB adding a future check-in date to review the market's progress in meeting this regulation in 2026, for the purpose of adding and adjusting ACT or other interlinked regulations as necessary.

SDG&E stands ready to support the goals and clean air requirements of California and CARB. We support the ACT rule and encourage CARB to pass the rule.

Sincerely,

Jaron Weston  
Clean Transportation Policy Manager  
San Diego Gas & Electric