

July 2, 2018

California Air Resources Board, Members
1001 I Street
Sacramento, CA 95814

Dear Chair Nichols and Members of the California Air Resources Board:

The Californians for Zero-Emission Vehicles (CalZEV) coalition appreciates the opportunity to provide comments on the proposed Innovative Clean Transit (ICT) measure and strongly supports the timely adoption of the ICT in 2018, as well as a commitment to 100% zero-emission transit fleets by 2040. Our coalition of industry participants and non-governmental organizations is united in our common mission to reach significant air quality, climate, public health and economic development goals by accelerating the adoption of zero-emission buses in California.

Zero-emission transportation benefits all Californians. Eliminating mobile emissions improves air quality and reduces greenhouse gas emissions. Investment in clean technologies that improve community health also creates local jobs. We greatly appreciate the California Air Resources Board's leadership to help accelerate the deployment of zero-emission public transit buses to provide the opportunity for all Californians to ride in a zero-emission vehicle and realize the benefits of clean air.

In response to some of the comments articulated at the June 13, 2018 workshop, below are our collective responses to help address the potential concerns.

1. Can small and medium transit agencies meet the timeline set out in the rule?

We believe the proposed timeline is realistic and enables transit agencies an appropriate amount of time to scale their fleet to zero-emission. To prepare and plan for the purchase of zero-emission buses, we strongly recommend both small and large transit agencies have the same deadline for the Zero Emission Bus (ZEB) Rollout Plan - June 30, 2020. A number of agencies of all sizes have already established Zero Emission Bus Plans, and many agencies are already implementing their plans, providing helpful guidance and saving every agency in California from starting from scratch to address a cleaner future.¹ It is critical for all transit agencies to establish a plan in the near-term to ensure close coordination between transit agencies, public utilities, and manufacturers for a smooth transition to zero-emission vehicles.

2. Will operating costs be more expensive as a result of tariffs that use demand charges?

Some transit agencies within the Pacific Gas and Electric (PG&E) territory have incurred expensive demand charges, and as a result, it has increased overall operating costs for electric buses in their fleets. We understand this issue and are working with PG&E and the California Public Utilities Commission (CPUC) to help resolve it in the near-term by creating long-term solutions.

Specifically, the California Transit Association is sponsoring SB 1434, which aims to support and accelerate the deployment of battery-electric transit buses by requiring the California Public Utilities Commission initiate a ratemaking proceeding that addresses the high cost of electricity as a fuel in certain markets in California, largely driven by tariffs developed for other use cases. PG&E, which has some of

¹ Innovative Clean Transit Workshop to Discuss Regulatory Proposal, June 13, 2018
<https://arb.ca.gov/msprog/ict/meeting/mt180611/180611presentation.pdf>

the highest electricity rates in the country, has also proposed new heavy-duty electric vehicle electricity rates, which are expected to be lower and are currently in review at the CPUC.

The demand charge issue can also be resolved technically, as illustrated with Foothill Transit, which has used demand management software to mitigate otherwise expensive demand charges. Antelope Valley Transit Authority has also deployed a charge control system as part of its fuel cost management strategy. In addition, expansion of vehicle-grid integration (VGI) technology, distributed generation through solar technology and stationary on-site storage can provide other solutions and mitigate pricing structures with expensive demand charges.

We also strongly support additional workshops on how to monetize and access the Low Carbon Fuel Standard Program and leverage available credits for deployment of zero emission vehicles.

3. More concrete funding resources are needed for the transition.

Public transit is a public service. With 39 percent of state greenhouse gas emissions resulting from the transportation sector, it is imperative we transition public transportation to zero-emission technologies to meet the state's climate goals. We'd also like to see California's low-income communities be a high priority for the deployment of zero-emission transportation as they continue to experience the worst impacts of the transportation sector. We strongly support more funding resources for the transition and encourage CARB to continue providing vital incentives like HVIP, through the entire transition period to 100% zero-emission buses. We will and we encourage CARB to communicate the necessary level of funding and the impact of funding delays to the Legislature to ensure the transition to zero-emission buses is smooth and adequately funded. CARB should consider using data and modeling to show the Legislature how funding delays affect technology and market advancement, and how these funding gaps delay or diminish the state's ability to meet emissions-reduction targets.

Thank you for the opportunity to provide comments and we look forward to working with CARB to ensure California remains a leader in electric vehicle technology and healthy communities.

Sincerely,
Californians for Zero-Emission Vehicles (CalZEV)

