



July 19, 2018

Ms. Shirin Barfjani
California Air Resources Board
1001 I St.
Sacramento, CA 95814

Submitted via CARB online comment submittal form

Re: Innovative Clean Transit Draft Proposed Regulation Summary and Regulatory Workshop on June 13, 2018

The California Electric Transportation Coalition (CalETC) appreciates the opportunity to provide feedback on the California Air Resources Board's (CARB's) Innovative Clean Transit Draft Proposed Regulation Summary, released June 11, 2018 and discussed at the regulatory workshop on June 13, 2018.¹ CalETC appreciates staff's efforts to convene stakeholders and accept feedback throughout the development of this proposal and staff's commitment to move this proposal forward this year.

CalETC supports and advocates for the transition to a zero-emission transportation future as a means to spur economic growth, fuel diversity and energy independence, ensure clean air, and combat climate change. CalETC is a non-profit association committed to the successful introduction and large-scale deployment of all forms of electric transportation including plug-in electric vehicles of all weight classes, transit buses, port electrification, off-road electric vehicles and equipment, and rail. Our board of directors includes: Los Angeles Department of Water and Power, Pacific Gas and Electric, Sacramento Municipal Utility District, San Diego Gas and Electric, Southern California Edison, and the Southern California Public Power Authority. Our membership also includes major automakers, manufacturers of zero-emission trucks and buses, and other industry leaders supporting transportation electrification.

Although California is leading the nation in zero-emission vehicle (ZEV) adoption, our state still has a long way to go to reach the goals in the Governor's Executive Order B-48-18: 5 million ZEVs on California roads by 2030 and specified levels of zero-emission vehicle infrastructure by 2025 to support the transition to these vehicles. In addition, the state must implement SB 1275 (De León) [Chapter 530, Statutes of 2014] and SB 1204 (Lara) [Chapter 524, Statutes of 2014], which set targets for the deployment of 1 million zero- and near-zero-emission vehicles by 2023, access to these vehicles by disadvantaged and low- and moderate-income communities, and deployment of zero- and near-zero-emission medium- and heavy-duty vehicle technologies.

¹ Available at: <https://www.arb.ca.gov/msprog/ict/meeting/mt180611/180611ictregsummary.pdf>.

Transitioning the medium- and heavy-duty sectors to zero-emission technologies is and will continue to be a difficult task, requiring appropriate regulatory direction and incentives. Transforming California's transit fleet to a zero-emission fleet will help accelerate the transition to zero-emission technologies in other segments of the medium- and heavy-duty transportation sectors to meet air-quality, climate, and public-health goals.

I. CalETC supports the Innovative Clean Transit regulation requiring California transit agencies to transition to 100 percent zero-emission bus fleets by 2040.

It is imperative the Innovative Clean Transit regulation achieve a zero-emission transit system by 2040. We support this key element of staff's Proposed Regulation Summary requiring transit agencies to develop individual plans to transition to zero-emission bus (ZEB) fleets by 2040. The transition to ZEBs by 2040 is consistent with purchase schedules of transit agencies and is necessary for the state to meet its clean air and climate targets. CalETC suggests that the final regulations are clear that 2040 is the date by which all transit agencies must transition to zero-emissions for the vehicle technologies covered by the regulation.

II. CalETC supports large and small transit agencies submitting their ZEB Rollout Plans by July 1, 2020.

In the Proposed Regulation Summary, transit agencies are required to submit transit-board approved ZEB Rollout Plans. Large transit agencies are required to submit their ZEB Rollout Plans by July 1, 2020 and small transit agencies are required to submit their ZEB Rollout Plans by July 1, 2023. CalETC supports the submission date for large transit agencies and recommends that small transit agencies also be required to submit their ZEB Rollout Plans by July 1, 2020 instead of July 1, 2023. An earlier submission date will allow small transit agencies to plan for their ZEB transition sooner and will allow for small transit agencies to apply for and access ZEB funding in the near-term. Many California transit agencies have already established and are implementing ZEB plans, providing helpful guidance and lessons-learned to other transit agencies.

We also support the emphasis on disadvantaged communities mentioned during the workshop and included in the letter submitted by the Advanced Clean Transit Coalition Partners.² CalETC supports ensuring that the transition to zero-emissions will benefit disadvantaged communities early-on as transit agencies replace conventional buses with ZEBs.

III. The proposed ZEB purchase requirement timeline and early-compliance waiver is reasonable.

We recognize the financial constraints of transit agencies and value the important services transit agencies provide. In our previous comments, we supported moving the purchase requirement deadlines back to allow transit agencies additional time to plan and access public funding. We find the proposed purchase requirement timeline and early-compliance waiver reasonable, but defer

to our transit agency and environmental partners to determine whether the purchase requirement timeline appropriately takes into account transit agency planning, bus purchasing, infrastructure procurement and installation, and what is needed to meet the 2040 deadline of zero-emissions.

CalETC continues to support allowing transit agencies to access public funding throughout their transition to a zero-emission fleet, so long as the 2040 deadline for 100 percent ZEBs is not delayed. Transit agencies face unique operational and economic difficulties, and they provide an extremely important service for our communities. Regulatory and incentive programs should account for this unique situation. Should there be a viable option to allow for transit agencies to access incentive funding as they transition to zero-emissions, even after purchase-requirement deadlines commence, we would support that option. However, if this is not possible, then we encourage staff to ensure that the proposed purchase requirement timeline includes enough flexibility to allow for transit agencies to access public funding in the early years before purchase-requirement dates begin.

IV. CalETC recommends all zero-emission buses receive the same amount of bonus credits for early compliance.

The proposed bonus credit structure for zero-emission buses differs for battery-electric and hydrogen fuel-cell buses. CalETC recommends that all zero-emission buses receive the same amount of bonus credits for the same early-compliance period.

V. CalETC supports the optional zero-emission mobility option, so long as it does not delay the transition of transit-bus fleets to zero-emission technologies.

CalETC supports exploring how to best ensure that non-transit-bus modes of transportation used by transit agencies also transition to zero-emission technologies. We find the qualifying criteria and downsize/termination proposal for the optional zero-emission mobility option reasonable. CalETC recommends assessing the mobility option, after the regulations are in effect and if transit agencies are complying using this provision, through an informational Board update to ensure the option is achieving needed emissions reductions.

CalETC also supports allowing transit agencies to receive credit for replacing non-zero-emission buses or technologies with other zero-emissions technologies, such as fixed electric urban rail service.

VI. CalETC recommends the Innovative Clean Transit regulation require cutaway and non-standard buses to transition to zero-emission technologies after these buses have completed Altoona testing. CalETC recommends only standard buses be included in the count for determining transit agency size.

CalETC agrees with staff's assessment that the Innovative Clean Transit regulation should initially exclude purchase requirements for cutaway buses, over-the-road buses (motor coaches) and articulated buses until there are commercially-available zero-emission options in these categories that have completed Altoona testing. We are not opposed to including provisions incentivizing replacement of these vehicles with zero-emissions options, such as through crediting, but agree it is not appropriate to institute purchase requirements at this time.

CalETC recommends staff include a provision in the regulation to require cutaways and non-standard buses to transition to ZEBs two years after there is a commercially available vehicle that has completed Altoona testing. This will encourage vehicle manufacturers to manufacture and test the vehicles because they know there will be demand from transit agencies once the vehicles are commercially available; and will also give transit agencies time to plan for transitioning non-standard buses to zero-emissions.

During the workshop, there was some discussion of whether non-standard buses should be included in the count for determining fleet size and compliance. Because non-standard and cutaway ZEBs are not currently available nor included in the immediate proposed compliance schedule, we recommend that only standard buses be included in the count for determining transit agency size.

VII. The proposal to allow for ZEB-purchase extensions or exemptions under specified circumstances is reasonable, so long as transit agencies only receive the extension or exemption for circumstances beyond their control.

CalETC supports staff's proposal to allow transit agencies to defer a ZEB purchase for reasons beyond their control, and we support the mechanisms articulated in the Proposed Regulation Summary to request an extension or exemption for specified circumstances. We support the recommendation of the Advanced Clean Transit Coalition Partners to include in the final regulation language that ensures transit agencies only receive an exemption or extension for circumstances beyond their control, and not for a lack of reasonable planning.

VIII. CalETC supports the joint ZEB group option.

Staff's proposed joint ZEB group option allows for additional flexibility for transit agencies to comply with the regulation. CalETC supports this option, so long as compliance with the transition to ZEBs is not hindered.

IV. In concept, CalETC supports the low-NOx engine and renewable fuel purchase requirements, but we are concerned that these requirements could negatively affect or distract from the 2040 deadline for 100 percent zero-emission bus fleets.

In concept, CalETC supports the requirement that specified transit agencies purchase renewable fuels when contracts would otherwise be renewed for conventional diesel and natural gas. We also support, in concept, the low-NOx engine requirement if agencies are purchasing new natural gas buses and the agencies are in non-NOx-exempt areas of the state.

However, we are concerned that these requirements could result in unnecessarily delaying the transition to zero-emission buses. In addition, the currently limited supply of renewable fuels may be better used in other applications than transit; transit is one of the most well-suited and technology-ready sectors for zero-emission technology.³

V. CalETC welcomes the opportunity to work with CARB staff to organize another technical workshop for transit agencies on ZEBs and ZEB infrastructure.

During the regulatory workshop on June 13, 2018, many transit agencies expressed an interest in CARB organizing another technical workshop dedicated to ZEBs and ZEB infrastructure. CalETC appreciated being involved in the February 2016 technical workshop on this topic and welcomes the opportunity to coordinate appropriate CalETC-member participation for another workshop.

Pursuant to SB 350 (De León) [Chapter 547, Statutes of 2015], certain investor-owned utilities will soon begin implementing programs to pay for the infrastructure to support electric bus charging. Some utilities will help pay for the cost of the charging stations as well. Certain publicly-owned utilities also have programs to help pay for the cost of charging infrastructure. In addition to charging-infrastructure funding, many utilities have or are proposing electricity rates that would benefit transit agencies operating electric buses. Our member utilities welcome the opportunity to participate in a workshop to provide information and answer questions about their funding programs and rates. CalETC's other members, including electric bus manufacturers and others, would also welcome the opportunity to participate in the workshop.

VI. Conclusion

We support the proposed purchase-mandate concept for transitioning to a 100 percent zero-emission California transit-bus fleet by 2040 as the most straightforward option to achieve the state's goals. The Innovative Clean Transit regulation is a necessary component of the state's

³ See: Union of Concerned Scientists. *The Promises and Limits of Biomethane*. May 2017. Online at: <https://www.ucsusa.org/biomethane-transportation#.WlUWG3lG2po>. P. 4 ("...battery electric vehicles powered by today's grid provide 30 percent lower global warming emissions and 20 percent lower NOX emissions than low-NOX CNG vehicles fueled with biomethane from landfills."). See also: Union of Concerned Scientists and the Greenlining Institute. *Delivering Opportunity: How Electric Buses and Trucks Can Create Jobs and Improve Public Health in California*. Updated 2017. Online at: <https://www.ucsusa.org/sites/default/files/attach/2016/10/UCS-Electric-Buses-Report.pdf>.

clean-transportation plan and the 2040 target cannot be delayed. Transitioning California's transit fleets to zero-emission technologies will help the state meet its air-quality, climate, and public-health goals. Zero-emission transportation powered by clean electricity will yield the greatest benefits for the state, whether on today's grid or on the future's even-cleaner grid.

CaLETc thanks CARB staff for their commitment to involve stakeholders throughout the development of the proposed regulatory concept and it is essential to move forward expeditiously with the rulemaking this year. CaLETc supports staff's previous recommendation to continue to work with transit agencies and other stakeholders to assess and adjust the regulation if necessary.

Thank you for your consideration of our comments. Please do not hesitate to contact me if you have any questions via phone at (916) 551-1943 or via email at hannah@caletc.com.

Sincerely,

A handwritten signature in blue ink that reads "Hannah Goldsmith". The signature is fluid and cursive, with the first name "Hannah" and last name "Goldsmith" clearly legible.

Hannah Goldsmith
Deputy Executive Director
California Electric Transportation Coalition