COUNTY OF NEVADA

STATE OF CALIFORNIA

BOARD OF SUPERVISORS



Ed Scofield

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Deputy Executive Officer California Air Resources Board 1001 I Street Sacramento, CA 95814

RE: County of Nevada Comments on Draft Advanced Clean Fleets (ACF) Regulation

To Whom it May Concern:

The County of Nevada shares climate resiliency goals with the California Air Resources Board (CARB) and other State partners. The County appreciates the opportunity to provide comments on the ACF draft regulatory language (March 23rd iteration) for public fleets as proposed by CARB staff.

We are concerned that the regulation will not be fully funded, may negatively impact our already limited road maintenance funding, and does not include sufficient environmental exemptions for construction, funding and public utility mandates for zero emission vehicle (ZEV)/ zero emission bus (ZEB) infrastructure.

While the latest iteration of the ACF regulation reflects some of the exemptions and extensions that have been requested, we remain concerned with the following issues and respectfully request further amendments.

Timelines and Public Funding. The proposed regulations continue to impose aggressive timelines for public fleets to comply and do not consider existing local agency budget constraints and funding methods for capital projects.

Many local governments budget every two years, and many have a five-year capital budget cycle that cannot be easily repurposed at the scale this proposed regulation would require. Mandating compliance to start January 1, 2024, or even January 1, 2027 for rural agencies such as ours, for a proposed regulation that would require significant and immediate investment and allocation from local agency budgets for the preconstruction, site preparation, and coordination with energy providers is simply unattainable.

For example, Nevada County, as a rural small community and in partnership with the Nevada County Transportation Commission, is currently in the process of hiring a consultant to develop an alternative fuel plan. This means that we are still in the planning stage for electrifying our fleet and will likely not be ready by 2027 to purchase ZEV's for many of our departments. In talking to our rural community partners, we are ahead of most on this front.

In addition, we are in year three of working through design, PG&E coordination, environmental and CEQA to put in charging stations for ZEBs that have been ordered but are two years out from being received. The supply chain is not prepared for the proposed regulations either.

And yet another example, there are no electric road equipment suppliers that have products to meet our basic minimum needs (e.g., grading, snow plowing, etc.). Even if we ordered a traditional grader, the supply chain is at least a year out.

Electrifying service yards to support an electrified fleet is a much greater undertaking than a simple electricity panel upgrade or some quick trenching in the parking lot. Upgrading infrastructure, purchasing vehicles, training workforce, and complying with mandated reports is not something local agencies can easily comply with. Inflation and other cost increases have already stretched budgets to their limits.

The proposed regulation also ignores existing market realities and the time needed to develop and ramp up an infrastructural system that can support an electrified fleet of essential vehicles. If required to comply with the proposed regulation as drafted, the projected infrastructure and fleet costs will add substantial rate increases across multiple public works and utility service departments. There is no current funding for these increased costs. It will take at least a year to put together a funding plan and then could take another year or more to place new taxes on the ballot or hold Proposition 218 protest proceedings. If voters reject such tax and fee increases, local agencies will be left with no resources to afford the immediate up-front costs necessary to comply with the regulation.

While savings may eventually manifest from retiring or repurposing assets oriented to internal combustion engines (ICE), they will have no effect on the upfront capital expenses. For these reasons, we believe that local governments need an extension of at least four years from regulation adoption and we encourage the State of California to develop a substantial grant program to support local governments in complying without imposing an undue burden upon their ratepayers and taxpayers already struggling to make ends meet at this time of high inflation.

Exemptions. Local agency vehicles essential to the health and safety of residents should be fully exempt from the regulation. While some of these vehicles are captured under the current emergency vehicle exemption, it should be expanded.

In addition to emergency vehicles currently defined in the California Vehicle Code, the following local agency vehicles must be operable 24 hours per day, 365 days per week.

Any interruption in their regular use could jeopardize the health and safety of the communities they serve. Given the most likely current or future ZEV options will depend upon a consistently accessible source of electricity, the risk of disruption whether due to an earthquake, public safety power shutoff, rolling brownout, wildfire, flood, or other natural disaster is too great to risk the operability of these vehicles and health and safety of Californians:

- Valve trucks, welding trucks, and other vehicles essential to the repair and maintenance of water, wastewater, and other utilities. These are particularly critical during and following the very events that could interrupt the ability of ZEVs to operate.
- Vehicles used by open space, regional park, and other agencies to spot wildfires, mitigate wildfires, rescue lost or injured hikers, and prevent poaching of animals.
- Vehicles used by mosquito abatement and vector control agencies to prevent and disrupt the proliferation and uncontrolled spread of dangerous known and unknown vectors.
- Vehicles used for grading of gravel and dirt roads. Thirty-nine percent of County-maintained roads in Nevada County are dirt or gravel, so grading equipment should be exempt from the requirements for this essential service.

In addition, we are requesting a Small Agency/Department automatic exemption based on fiscal hardship. We also request you expand the existing delayed implementation for small vehicle fleets in non-designated (non-low population) counties to include agencies that purchase fewer than two vehicles in a calendar year.

Otherwise, the current "rounding-up" rule would apply the regulation to 100% of vehicles purchased by agencies purchasing just one vehicle in the initial three-year implementation period even though that period is intended to only require 50% of vehicles comply. Agencies purchasing just one vehicle in a calendar year are the smallest agencies in the state that are the least able to comply with the reporting mandates and costs associated with the regulation. Moreover, in purchasing just one vehicle, an agency has no means to mitigate the added cost of ZEV additions as an agency purchasing multiple vehicles can by strategically purchasing 50% ICE vehicles for the vehicle models that may be least affordable as ZEVs.

Price Caps. We request that CARB impose price caps to ensure the market positively responds with vehicles at competitive rates. Local governments strive to be good stewards of the taxpayer's dollars, but without price caps, complying with the proposed regulations may force a purchase of ZEVs that are put to market at an artificially inflated rate. With the inclusion of a percentage price cap, manufacturers will be unable to potentially manipulate the market with unwarranted unit costs.

Inventories. We request CARB provide a list of available manufacturers that have market-ready vehicles in the medium- to heavy-duty class sizes, 2B- 8. Availability of model/body types of multiple weight classes (and functions) are not confirmed by fleets but, rather, by manufacturers informing CARB that models will be available.

Thank you for allowing us the opportunity to provide written responses to the proposed ACF Regulations.

Sincerely,

Ed Scofield, Chair

Board of Supervisors

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ce: California Special Districts Association

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