

September 24, 2021

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*RE: TID Comments on September 9, 2021, Public Workshop on Draft Regulatory Language and Updated Cost Assumptions for the Advanced Clean Fleets Regulation.*

Dear Mr. Brasil,

Turlock Irrigation District (“TID”) respectfully submits the following comments on the ARB’s September 9, 2021, workshop discussing the draft Advanced Clean Fleets rulemaking language and cost assumptions.

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### **TID Background**

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TID was organized as the first Irrigation District in California on June 6, 1887, and is currently in its 134<sup>th</sup> year of operation. Presently, the District serves a retail electric customer base of just over 103,000 and provides irrigation water to approximately 4,700 growers and nearly 150,000 acres of farmland. Of the 14 communities TID serves, 11 are classified as Disadvantaged Communities according to the Department of Water Resources (“DWR”) and the majority of our service territory is in the top 20% of Cal EnviroScreen 3.0 impacted communities.

As one of eight Balancing Authorities in California, TID has a direct relationship with both commercial and residential customers. Our ethos is to provide stable, reliable, and affordable water and power to our customer owners, be good stewards of our resources, and provide a high level of customer satisfaction through clear, concise communication. As a Balancing Authority (“BA”) TID is also tasked with balancing retail demand generation, and wholesale purchases and sales, while providing adequate reserve capacity to maintain grid reliability. TID thanks ARB staff for the transparency and willingness to cooperate with California entities as many stakeholders begin converting their vehicles and critical infrastructure to zero-emission technologies that best align with their fleet vehicle operations. TID would also like to thank ARB staff for indicating they will allow fleet operators to replace vehicles at their normal replacement cycles. The comments below reflect TID’s perspectives from the September 9, 2021, workshop and include specific challenges and potential solutions for the ARB to consider under the current proposed regulation.

## Discussion

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### **I. The ARB’s public fleet zero-emission vehicle purchase requirement timeline may not be viable for all public agencies due to feasibility, affordability and reliability concerns.**

Staff’s draft Public Fleets Requirements regulatory document indicated that the ARB were considering the possibility of calling for public fleets to begin zero-emission vehicle (“ZEV”) and NZEV purchases as soon as 2024.<sup>1</sup> ARB staff highlighted that public entities would be required to have 50 percent of their purchases consist of either a plug-in hybrid, battery electric, or hydrogen vehicle; with NZEVs being counted as a ZEV until 2035. While TID would reiterate past comments and appreciates ARB staff’s consideration allowing fleet operators to replace their vehicles following the entities own replacement cycle, TID has identified some concerns with this process. TID believes the currently proposed timeline will be too aggressive for some agencies with public fleets that have yet to begin making ZEV purchases in earnest, given the absence of a prior regulatory requirement. Furthermore, TID is apprehensive about the feasibility of integrating NZEVs and ZEVs into our fleet beginning in 2024, given the high cost and limited range of emerging NZEVs and ZEVs in the heavy duty market.

TID would like to highlight a recent experience with the HVIP program to illustrate a problem public agencies will experience when seeking to utilize HVIP to help offset the cost of making heavy duty ZEV and NZEV purchases. In August 2019, TID believed we had secured funding under HVIP for several hybrid electric trucks. However, funding through the HVIP program had

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<sup>1</sup> [https://ww2.arb.ca.gov/sites/default/files/2021-08/210909acfdraftpub\\_ADA.pdf](https://ww2.arb.ca.gov/sites/default/files/2021-08/210909acfdraftpub_ADA.pdf) pg. 7

ran out by March 2021, when TID received the invoice for the hybrid electric trucks after they had been built. This situation resulted in TID being unable to secure funding through HVIP for the purchase of these vehicles. Many public agencies such as TID plan at minimum, two years in advance when making a ZEV or NZEV purchase. Likewise, it is common practice for public sector agencies to not receive an invoice until the vehicles have been built; by the time TID had received the invoice necessary for HVIP funds in March 2021, the most recent round of HVIP funding had dissipated, forcing TID to purchase the vehicles without funding. TID's most recent experience with HVIP revealed a critical problem with the program's structure favoring private entities who can immediately take advantage of funds, over public agencies who must wait for an invoice upon the vehicles being built before applying funds to the purchase of a ZEV or NZEV. TID recommends the ARB modify the HVIP program to set aside funds specifically for the public agency seeking to utilize the HVIP funds for ZEV and NZEV purchases. TID would suggest the ARB allow for funds to be administered through a voucher system through which funds are guaranteed to the public agency when the agency's purchasing contact is issued, as opposed to when the invoice is received.

TID would also convey, separate from affordability and feasibility, another issue being reliability. In TID's experience, during major weather events, utility line crews and trucks are susceptible to working 30 or more hours straight. In the past, TID has experienced weather events causing staff and vehicles to work over 30 continuous hours. When major weather events occur, traditionally fueled vehicles can be refueled in minutes. TID is troubled that situations brought on by extreme weather, impacting reliability, may prevent a ZEV or NZEV from being deployed, limiting TID's ability to assist communities both within and outside our service territory.

TID still remains concerned the ARBs proposed ZEV purchase schedule would not give TID the necessary time to design and deploy charging infrastructure at our facilities to handle the uptick in ZEVs we would be adding to our fleet. In general, our fleet operators and engineering staff must address a variety of variables concerning charging infrastructure deployment. Charging infrastructure concerns would include grid constraints, resilience, cost, and the compatibility of ZEVs with existing equipment and vehicle operating schedules. Under the proposed purchasing requirement, TID is worried public agencies with smaller fleets will not have enough time to prepare and deploy charging infrastructure at their facilities. TID would ask the ARB to consider the extensive planning necessary to develop charging infrastructure specifications that fit the agencies fleet needs. This development process requires in depth planning and the associated cost must be integrated into the company's capital budget. The cost accompanying the purchase of a ZEV extend beyond the purchase of the vehicle and include the necessary training for fleet staff to handle these alternative fueled vehicles and the critical infrastructure cost associated with the facilities where fleet vehicles are domiciled. As a publicly owned Irrigation District, TID prioritizes stability, reliability and affordability for our customer owners. The current proposed vehicle purchase requirement timeframe will place TID

and other publicly owned water and energy service providers at greater risk in the immediate future of ensuring stability, reliability, and affordability in the communities we serve. The reason for this increased risk is because the ARB’s proposed 50 percent purchase requirement beginning in 2024, does not give TID enough time to work these new costs into our capital budget.

TID would propose the ARB consider revising its timeline of ZEV purchases for all public agencies and closely coordinate with the California Energy Commission (“CEC”) on analysis concerning infrastructure needs and cost to support heavy duty vehicle deployment. Revising the phase-in timeline for vehicle purchases to account for infrastructure cost associated with heavy duty vehicles will allow entities additional time to begin making charging infrastructure upgrades at their facilities in advance of ZEV vehicle fleet purchase requirements. TID would propose the ARB set the phase-in timeline for public agencies to 2027 for 100 percent of purchases to consist of a ZEV or NZEV under this regulation. Pushing back this purchase requirement from 2024 to 2027 not only provides public agencies such as TID with an opportunity to design and deploy charging infrastructure, but also gives manufacturers additional time to develop vehicles that are compatible with the public agencies fleet operations, and public agencies time to adjust their capital budgets to account for associated ZEV cost.

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## Discussion

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### **II. Clarity and changes to the exemption process is needed to ensure reliability.**

Public fleet operators must adhere to their agencies policies concerning the retirement and subsequent replacement of their fleet vehicles. TID’s own heavy duty fleet vehicles are reliant on Power Take-Off units (“PTOs”) given the job responsibilities of these trucks. Having a PTO installed on our heavy duty vehicles is a TID requirement due to the PTOs function of transferring power from one power source, such as power from a running engine, and transmitting it to the mechanical arm on a bucket truck used by utility maintenance crews. The market for heavy duty vehicles with PTOs has yet to develop. Given this predicament, TID expects to be reliant upon the proposed exemption process the ARB outlined due to the unavailability of a heavy duty vehicle PTO market.

Furthermore, under the ARB exemption structure for public fleets, public agencies will face a variety of budgetary and purchasing constraints exposing them to financial risk. Public agencies fleet vehicle purchasing policies fall in-line within the broader budget cycle set at the beginning of the fiscal year. The current proposed exemption structure will cause TID and others to experience a prolonged purchasing process, increasing financial risk, if the agency does not receive their vehicle before the end of the budgeted year. During a question and answer section at the September 9, 2021, workshop, ARB staff were asked about what a public agency would be required to do in the event there were zero manufacturers with an NZEV or ZEV vehicle

available to replace the gasoline or diesel fueled vehicle set to retire.<sup>2</sup> ARB staff's response to this question indicated the public agency must wait for an NVEV or ZEV to be available. TID would like clarification from the ARB on this situation. TID has major concerns if the final regulation prevents entities from purchasing a non ZEV in the event there was no NZEV or ZEV like-for-like replacement on the market. By not allowing agencies to procure a non ZEV if there is no ZEV or NZEV equivalent available, the ARB will force fleets to continue to run aging fossil fueled vehicles.

As a potential solution for this problem, TID would recommend the ARB take the existing definition of "essential public service," conveyed in the ARB's Portable Equipment Registration Program ("PERP") regulation and apply this definition to emergency response vehicles used by publicly owned utilities, public water agencies, irrigation districts and public utility districts that provide emergency repair and restoration.<sup>3</sup> TID would convey to ARB staff that the existing California Vehicle Code cited by the ARB outlining vehicles exempt from the ACF regulation applies to vehicles owned by a bridge or highway district and does not encompass the emergency response vehicles owned by publicly owned utilities, public water agencies, irrigation districts and public utility districts.<sup>4</sup> TID would ask the ARB to apply the definition of an "essential public service" from the PERP regulation to the ACF regulation covering the essential public service vehicles used by publicly owned utilities, public water agencies, irrigation districts and public utility districts. TID would further ask the ARB to have this definition apply to these essential service providers existing hybrid trucks that use ePTO systems for emergency response until the market for propulsion ZEV and NZEV ePTO's is readily available. Emergency response trucks using a ePTO system, while not near zero emission, are run by public agency fleet operators at a near zero capacity due to the vehicle body type, usage and duty cycle of axillary equipment utilizing electricity to power specific operations of critical importance for public agencies. TID would recommend the ARB allow for these emergency response vehicles to count as an NZEV until the public agency is able to demonstrate that there are commercially available ZEV or NZEV models meeting the duty cycle needs for the agency's fleet operations.

To capture the above suggestions TID would recommend the ARB add an additional fifth criteria to the regulatory language expressed in Section 95693.2(a)(1)(2)(3)(4) and modification to section (a). TID proposes the following exemption language:

- (a) Exemption for Emergency Response. Public agencies can apply for an exemption from ZEV or NZEV purchase requirements if the vehicles will be designated to provide emergency response in supporting electricity, natural gas, water, or wastewater services across California or in other states. A public agency may further be granted an exemption towards the purchase of a hybrid

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<sup>2</sup> September 9, 2021 Public Workshop on Draft Regulatory Language and Updated Cost Assumptions for the Advanced Clean Fleets Regulation.

<sup>3</sup> [https://ww2.arb.ca.gov/sites/default/files/2020-03/PERP\\_Reg\\_12.5.18R.pdf](https://ww2.arb.ca.gov/sites/default/files/2020-03/PERP_Reg_12.5.18R.pdf) pg. 4

<sup>4</sup> California Vehicle Code, Division 1, Section 165©.



ePTO truck used for emergency response until the agency is able to demonstrate commercial availability of a propulsion ePTO ZEV or NZEV replacement. A public agency may receive an exemption from the ZEV purchase requirements set forth in section 95693.1 if the following conditions are met:

- (1) More than 75 percent of that body type in the fleet are already ZEVs
- (2) The agency is able to demonstrate that the necessary publicly accessible charging or hydrogen fueling infrastructure or mobile fueling options are not readily available in the areas to be served in emergency response
- (3) The agency has obtained a letter from the governing body that lists the number of vehicles to be purchased for emergency response with details about the vehicle type, and what areas of the country are typically served, and a statement that explains why available ZEVs are not suitable to be dispatched to serve those areas in emergency response
- (4) The agency must keep records of the letter signed by the governing body and make it available to CARB staff upon request; and
- (5) The agency is able to demonstrate that no commercially available ZEV or NZEV models meet the duty cycle needs for the agency's fleet operations.

TID is committed to reducing our greenhouse gas emissions (“GHGs”) and considers transportation emission reductions crucial towards meeting California’s climate goals. TID strongly encourages ARB staff to collaborate closely with public agencies to develop best practices concerning how to structure an exemption that meets the diverse needs of public agency vehicle fleets who will fall under this regulation’s compliance directives. Soliciting public agency feedback on the exemption process will further help the ARB receive regulatory adoption by their Board in December 2022. TID would also thank the ARB staff for developing a public agency working group allowing stakeholders to convey key data and information that may not be captured in fully by the September 27, 2021, comment letter deadline.

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### Conclusion

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TID appreciates the opportunity to provide comments from the ARB’s September 9, 2021, workshop on the Advanced Clean Fleets regulation. TID looks forward to collaborating with ARB staff to ensure public agencies are capable of meeting California’s transportation electrification goals.



Respectfully submitted,

*Austin Avery*

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cc: The Honorable Liane Randolph, Chair, California Air Resources Board  
Mr. Richard Corey, Executive Director, California Air Resources Board