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Mr. Tony Brasil  
California Air Resources Board  
1001 "I" Street  
Sacramento, CA 95814

### **Re: Advanced Clean Truck Draft Proposed Regulation**

SoCalGas appreciates the opportunity to comment on the California Air Resources Board (CARB) Advanced Clean Truck (ACT) Draft Proposed Regulation (Proposed Regulation). The Proposed Regulation is made up of two separate regulations: the Manufacturer Sales Requirement and the Large Entity Reporting Requirement. SoCalGas would like to submit the comments below for each of the requirements.

#### **MANUFACTURER SALES REQUIREMENT**

##### **Low NOx Trucks Running on Renewable Gas Should Generate Sales Credits**

The Proposed Regulation would allow manufacturers to generate partial credits for the sale of Plug-In Hybrid Electric Vehicles (PHEVs) because it is an advanced technology and its emission reduction potential. For the same reason, trucks meeting the CARB Optional Low NOx Standard of 0.02 grams of nitrogen oxides per brake horsepower hour (Low NOx trucks) operating on renewable gas should also generate partial credits to be used for compliance. For comparison, the XL Hybrids Upfit on Ford Transit vehicles would qualify for a credit under the Proposed Regulation. The marketing materials for this vehicle states that it reduces fuel consumption, therefore greenhouse gas emissions, by 25%. The use of renewable gas in Low NOx trucks significantly reduces carbon emissions. Landfill renewable gas has an average carbon intensity (CI) of approximately 40 to 50 carbon dioxide equivalents per megajoule (g CO<sub>2</sub>e/MJ), while AMP Americas, a renewable energy company, was issued a CI score minus-254.94 grams for out of state dairy digester renewable gas. For comparison, electric trucks have a carbon intensity of approximately 20 g CO<sub>2</sub>e/MJ. <sup>1</sup>As Low NOx Trucks can reduce far more emissions than PHEVs, they should also generate manufacturing sales credits commensurate with the reductions obtained, under the regulation.

##### **In Addition to the "Weight Class Modifier", Class 7 and 8 Trucks Should Also Have a "Range Modifier"**

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<sup>1</sup> CARB's "Current Lookup Table, Tier 1, Tier 2, and Legacy Fuel Pathway Table, Current Pathways"

The Proposed Regulation includes a “Weight Class Modifier” to give more credits for the sale of Class 7 and 8 trucks. Almost all the heavy-duty trucks being demonstrated today have very limited range. The limited range limits the number of vocations these trucks can operate and limits the emission reduction potential as vehicle miles travelled is a primary driver in emissions. Zero emission trucks that have extended range, such as hydrogen powered trucks, can achieve greater emission reductions and can serve in more vocations. Providing a “Range Modifier” that rewards the sale of long range zero emission trucks would encourage the development and sale of these units.

### **Definition of Low NO<sub>x</sub> Trucks Should Be Reconsidered**

The Initial Statement of Reasoning (ISOR) document for the Proposed Regulation includes a new definition of “near zero” as “...plug-in hybrid electric vehicles powered by both an internal combustion and battery-electric powertrain that are capable of operating like a zero-emission vehicle for some distances.” While there has been no clear definition of “near zero”, it is particularly important to note that the terms “near zero” and “Low NO<sub>x</sub>” have been used synonymously in many CARB and agency (California Energy Commission, South Coast Air Quality Management District) documents and by the CARB Members themselves. For example, the CARB “Sustainable Freight Pathways to Zero and Near-Zero Emission” states several times that “we (CARB) anticipate that near-zero emission technologies and efficiencies will be capable of achieving a 90 percent reduction in NO<sub>x</sub> emissions and a 50 to 80 percent reduction in GHG emissions,” which can only be achieved by the use of Low NO<sub>x</sub> trucks. SoCalGas suggests that CARB set a performance-based definition for “near zero”. CARB’s “Sustainable Freight: Pathways to Zero and Near-Zero Emissions” document states that near-zero emission trucks “provide up to a 90 percent reduction in in-use NO<sub>x</sub> emissions from today’s trucks operating in California”<sup>2</sup>CARB should continue using this definition. SoCalGas also suggests including a 50% reduction in GHG emissions in the definition. Using the definition outlined in the Funding Plan would redefine what “near zero” means to the general public and state and local policymakers.

## **REPORTING REQUIREMENT**

### **SoCalGas Supports the Changes Made to Streamline Reporting**

SoCalGas commends CARB staff for making changes to the original language proposed by staff, which was extremely onerous for reporting entities. One time reporting to gather necessary information for rule development is far more effective than annual reporting.

### **CARB Should Work with Entities to Define a “Typical” Week**

Appendix A – Proposed Regulation order states that reporting entities are required to “Estimate the number of vehicle trips...in a typical week in 2020.” Many businesses and organizations, including SoCalGas, have seasonal peaks based on operations and external factors, such as weather. Therefore, there is no true “typical week”. SoCalGas recommends that CARB

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<sup>2</sup> CARB, Sustainable Freight: Pathways to Zero and Near-Zero Emissions, p. 27

<https://ww3.arb.ca.gov/gmp/sfti/sustainable-freight-pathways-to-zero-and-near-zero-emissions-discussion-document.pdf>

recognize this and work with entities to determine appropriate assumptions to avoid noncompliance as long as good faith efforts are made.

**Resources Required to Report are Vastly Underestimated**

The ACT Standardized Regulatory Impact Assessment (SRIA) assumes that “it will take on average two hours to retrieve, review, and report company-specific information, and an additional two hours to retrieve, review, and report vehicle information resulting in four hours of reporting per company,” and that the “hourly cost is assumed to be \$50 per hour for staffing and lost revenue from the employee assigned to pull the information.” This is an unrealistically low estimate in terms of the hours and the cost per hour based on an 11-year-old assumption (2008) from the CARB Truck and Bus Rule. Even with more reasonable reporting requirements than the Discussion Draft.

**CONCLUSION**

Thank you again for the opportunity to comment on the ACT Proposed Regulation. If you have any questions, please feel free to contact me.

Respectfully submitted,



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