



September 20, 2018

Mary D. Nichols, Chair
Attn: Shirin Barjani
California Air Resources Board
1001 I Street
Sacramento, CA 95814

Dear Ms. Nichols:

The Napa Valley Transportation Authority (NVTA) appreciates the opportunity to comment on the proposed Innovative Clean Transit (ICT) Regulation. NVTA is a joint powers authority comprised of the cities of American Canyon, Napa, St. Helena, Calistoga, the Town of Yountville, and County of Napa serving as the congestion management agency and operator the Vine public transit system in the Napa Valley. NVTA supports the California Air Resource Board's efforts to pursue innovative strategies to meet the State's greenhouse gas (GHG) reduction targets and improve air quality.

While NVTA fully understands the importance of reducing harmful emissions, the agency is also familiar with some of the pitfalls associated with procuring and deploying new, unproven technologies. In 2009 NVTA purchased eight (8) New Flyer gas electric hybrid buses for its fixed route system. Shortly after delivery, the manufacturer of the drivetrain went bankrupt and the performance and reliability of these vehicles was a miserable failure forcing NVTA to spend hundreds of thousands of dollars to keep the vehicles running – dollars that could have been better spent on expanding transit service. This experience has made NVTA more cautious pursuing new vehicle technologies.

Nevertheless, NVTA continues to acquire clean technology vehicles both because the organization is anxious to green its fleet, but also because the communities where the Vine operates embrace the agency's efforts to reduce emissions. In that vein, NVTA pursued and was awarded Federal Transit Administration (FTA) Low and No Emission 5339c Grant Program funds to purchase five (5) Zero Emission Battery (ZEB) electric buses. The buses will be deployed into shuttle service in the smaller jurisdictions within Napa County as well as in fixed route service within the City of Napa. NVTA has partnered with the Center for Technology and the Environment (CTE) to determine the best way to integrate and deploy the vehicles so as not to disrupt current service levels. CTE further has helped with mitigating risk so that some of challenges that occurred with the gasoline-electric hybrid vehicles can be avoided. While this model of procuring and deploying ZEBs has helped immensely navigating towards a cleaner fleet, it is costly and limits the services that NVTA can deploy to serve the many diverse communities in the Napa Valley.

Technology Performance Concerns:

NVTA is concerned with the requirement that zero emission buses must be retained for at least five (5) years from the date of being placed in active service. From NVTA's experience with the New Flyer gas electric hybrids there could very well be an instance where a bus performs in such a poor manner as to require retirement earlier than five (5) years. NVTA would like to see a provision allowing for a waiver of the five (5) year requirement on zero emission buses.

Cost and Funding Concerns:

The ICT Regulation proposal requires NVTA to begin purchasing ZEB at a rate of 25% of bus procurements beginning in 2026 and this would increase to 100% of all procurements in 2029. Based on NVTA's current fleet size and replacement cycle, the regulation would result in the purchase of fifty-six (56) heavy duty ZEBs through 2040.

NVTA's main concern is funding. Based on the Vine's existing replacement schedule and the current cost differential of Battery Electric Buses compared to standard diesel buses, the projected cost to NVTA would be an additional \$16.8 million through 2040. That is equal to approximately two times the agency's current fixed route annual operations. Additionally, NVTA would need to spend approximately \$2.8 million on charging stations and other EV enhancements over the same time period.

Further, under the proposed ICT Regulation, HVIP and LCTOP funding would not be an eligible fund source for buses mandated under the regulation. Given the current near and long-term capital needs of NVTA the agency already plans on delaying the purchase of replacement diesel buses, with the additional cost of ZEBs with no dedicated funding NVTA would likely have to delay purchases further. The only way that NVTA would be able to meet the currently proposed ZEB procurement schedule is if CARB relaxed ZEB bus eligibility rules for all the grant funding that it currently administers – at least until the cost and performance of ZEBs, (inclusive of factoring the cost of building new compatible infrastructure cost) are on par with traditional transit vehicles.

Bonus Credits:

NVTA would like to see the provision allowing bonus credits expanded to include battery electric buses ordered before the ICT regulation goes into effect for small transit systems in 2026. The change to include only battery electric buses purchased before December 31, 2017 poses significant financial challenges for agencies that are the size of NVTA. NVTA several years applying for zero emission bus grants, another year planning for their deployment of the new fuel technology, and will place an order in fall 2018. Under the current ICT regulation as it is written NVTA will not receive any bonus credit for early adoption of zero emission technology.

Safety and Federal Regulations:

NVTA is pleased to see CARB address our and other transit agencies' concerns to exclude cutaways and other vehicles that cannot meet the requirement from the draft rule. ARB's proposal to exclude these vehicles from the rule until such time OEMs can make Altoona-tested zero emission versions available on the market, ensures that implementation of the ICT Regulation will not impair service to our community's most vulnerable populations.

Again, NVTA appreciates this opportunity to comment on the proposed ICT Regulation. The agency is committed to working with CARB staff to create an Innovative Clean Transit Regulation that will achieve reduced GHGs and other harmful emissions, but also ensures adequate safety for riders and minimal operational and financial risks to the agency.

Please contact me at kmiller@nvta.ca.gov or 707-259-8634 or NVTA Policy Analyst, Justin Paniagua at jpaniagua@nvta.ca.gov or 707-259-8781 should you have any questions or require additional information.

Sincerely,



Kate Miller
Executive Director