CalETC
California Electric Transportation Coalition

April 23, 2018

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

Submitted via CARB online comment submittal form

Re: Update on Innovative Clean Transit Discussion Document

The California Electric Transportation Coalition (CalETC) appreciates the opportunity to comment on the California Air Resources Board's (CARB's) *Update on Innovative Clean Transit (ICT) Discussion Document* and request for stakeholder feedback, released March 27, 2018.[1]

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.

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

[1] Available at: https://arb.ca.gov/msprog/ict/meeting/mt180327/180327ictconcept.pdf.

zero-emission technologies in other segments of the medium- and heavy-duty transportation sectors to meet air-quality, climate, and public-health goals.

I. Regulation Starting Date

We support shifting the start date of the regulations beyond 2020. As previously stated in our comments, we recognize the financial constraints of transit agencies and value the important services transit agencies provide.

We echo the comments of the Advanced Clean Transit Coalition Partners[2] and would not want a delayed start date to signal that transit agencies should wait to begin procuring zero-emission buses. To ensure appropriate and effective planning, we support the recommendation of the California Transit Association, that each transit agency develop and submit an individualized plan to transition to zero emissions. We agree with the Advanced Clean Transit Coalition Partners that these plans could be worked into the regulation, requiring transit agencies to submit their Zero-Emission Bus Transition Plans to CARB. The plans should indicate how the transit agencies will transition to 100 percent zero-emission buses by 2040.

II. Role of Incentives

The difference between the cost of an internal-combustion-engine bus and a zero-emission bus is declining, and although operational costs of zero-emission buses can provide significant savings over the life of the bus, the up-front cost of a zero-emission bus remains a significant hurdle for transit agencies. The Hybrid and Zero-Emission Truck and Bus Voucher Incentive Project (HVIP), Volkswagen Appendix D mitigation funds, and other programs can substantially cover incremental capital costs. A minimum of $35 million of HVIP funds have been allocated for public transit buses in 2017-18. CARB has also increased the amount of incentives per bus and has allocated additional funding for supporting fueling infrastructure.

CalETC supports regulatory flexibility to allow transit agencies to access incentive funding and plan their transition to zero-emissions, so long as the 2040 deadline for 100 percent zero-emission bus fleets is not delayed. To be clear, CalETC supports allowing transit agencies to access incentive funding even after the regulatory requirements begin. 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.

[2] The Advanced Clean Transit Coalition Partners include representatives from the Sierra Club California, Earthjustice, Union of Concerned Scientists, Coalition for Clean Air, IBEW-NECA California & Nevada, International Brotherhood of Electrical Workers (IBEW) Local 11, IBEW Local 569, Jobs to Move America, and American Lung Association in California. See Advanced Clean Transit Coalition Partners' comments Re: Innovative Clean Transit Regulation Concept, submitted April 12, 2018.

III. Overall Cost

CalETC looks forward to reviewing CARB staff's cost document. We commend staff for their work to date on the total-cost-of-ownership model and for their collaboration with transit agencies and other interested stakeholders on determining appropriate cost assumptions. CalETC echoes the comments of the Advanced Clean Transit Coalition Partners with regards to overall bus cost and new developments that make the total cost of ownership of zero-emission buses even more favorable.

Pursuant to SB 350 (De León) [Chapter 547, Statutes of 2015], investor-owned utilities have filed applications before the California Public Utilities Commission to pay for the infrastructure to support electric bus charging. Some utilities are proposing to 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, some utilities have or are proposing electricity rates that would benefit transit agencies operating electric buses.

IV. Cutaways and Non-Standard Buses

CalETC agrees with staff's assessment that the Innovative Clean Transit regulation should initially exclude purchase requirements for cutaway and non-standard 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.

Staff should consider amending the regulation to include requirements for transitioning cutaways and non-standard buses to zero-emissions once there are commercially available vehicles that have completed Altoona testing. At that time, it would be appropriate to consider the feasibility of mandating the purchase of these vehicles within the regulation, through a new rulemaking effort.

V. Regulatory Assessments

CalETC supports staff's recommendation to continue to work with transit agencies and other stakeholders to assess and adjust the regulation if necessary. We are open to considering other regulatory assessment, off-ramp, or other proposals as appropriate, but do not have any recommendations at this time.

VI. Conclusion

As compared to alternatives considered during the scope of this workgroup process, 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 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. The roundtable, workgroup setting has been helpful to share information and hear opinions, but it is now essential to develop formal regulatory language and move forward expeditiously with the rulemaking.

Thank you for your consideration of our comments. Please do not hesitate to contact me if you have any questions.

Sincerely,

Hannah Goldsmith, Project Manager
California Electric Transportation Coalition