

Greg Pratt

18-7-6



Office: (707) 443-0826

Fax: (707) 443-2032

www.hta.org

133 V Street
Eureka, CA 95501

A Public Entity Serving Humboldt County Since 1976

• September 26, 2018

California Air Resources Board, Members
1001 I Street, Suite
Sacramento, CA 95814

RE: Response to the Initial Statement of Reasons for the Proposed Innovative Clean Transit Regulation

Chair Nichols and Members of the California Air Resources Board:

On behalf of the Humboldt Transit Authority, I submit the following comments in response to the Initial Statement of Reasons for the Proposed Innovative Clean Transit (ICT) Regulation. Humboldt Transit Authority operates a fixed-route trunk service along the U.S. 101 Corridor as well as an extension to Willow Creek along Highway 299. HTA also provides both intercity and local transit service in the southern portions of the county. In addition, HTA operates intra-city fixed-route service in the City of Eureka under the Eureka Transit Service with a transit fleet comprised of (7) 35' Gillig Low Floors, (17) 40' Gillig Low Floor, (9) Class E Cutaways, and (4) Class C Cutaways. Today, HTA received its first BEV. A 40' Proterra Extended Range electric bus that will be used on the commuter route between the College of the Redwoods and Humboldt State University during peak times. Concurrently, we are in the process of installing an 85 kW PV solar array to help offset the cost of charging. This past June, HTA applied for over seven million dollars to purchase another two electric buses and converting our agency over to a microgrid to prepare for multiple buses. *Greg*

As currently drafted, the proposed regulation improves on the Draft Regulatory Concept for the Proposed Innovative Clean Transit Regulation, released December 2017. Improvements to the proposed regulation reflect ongoing discussions between California Air Resources Board staff and the leadership of the California Transit Association. While the progress made on the proposed regulation is substantial, we remain concerned that the imposition of the zero-emission bus (ZEB) purchase requirement is not tied to benchmarks for ZEB cost and performance, infrastructure buildout costs, and funding availability. Moreover, we see significant risks in assuming, as ARB staff has, that data gathered from limited, short-term ZEB deployments will accurately reflect the realities of ZEB deployments at-scale. We assert that, despite the claims of some interest groups, ZEB cost and performance, infrastructure buildout, and the cost of electricity as fuel, are still issues.

The majority of HTA's commuter and intercity routes are 300+ miles which would mean either purchasing more buses for the same service or restructuring the routes. Capital funding for rural agencies is limited, especially when the price tag of the recent BEV we purchased was \$940,000 (before the HVIP). Restructuring routes means more operational costs because of the extra time it takes to "deadhead" buses from the yard to the starting/ending point in the route.

For the last two years we have been told from electric bus manufacturers that the nominal range of the slow charge bus is 200 to 300 miles. HTA's newly purchased extended range Proterra E2 bus, which boasts a nominal range of 250 miles, displayed a range of 90 miles after it was fully charged. Until we get the bus in service and test it, we have no idea what the range will be after factoring in large passenger



133 V Street
Eureka, CA 95501

A Public Entity Serving Humboldt County Since 1976

Office: (707) 443-0826
Fax: (707) 443-2032
www.hta.org

loads, mountainous terrain, and running all the standard peripherals that are becoming the standard. I would like to see real data from rural operators before setting some of the milestones that are outlined in the ICT.

As you move to finalize the proposed regulation, **the Humboldt Transit Authority** believes you should be guided by one question: *“What will happen to transit service, if the assertions made by ARB staff and interest groups are wrong, and the cost and difficulty of the transition to fully electrified bus fleets more closely align with the warnings of California’s public transit agencies?”* To help navigate this question, we urge the Air Resources Board to review current range and cost-specific data obtained and provided by both large and smaller operator’s experience as well as unbiased consultants when estimating the actual impact of Innovative Clean Transit on public transit service delivery and review the following considerations:

- **Benchmarking and Regulatory Assessment:** This provision would require the California Air Resources Board to conduct a regulatory assessment – *before* a ZEB purchase requirement goes into effect – that evaluates real-world ZEB cost and performance with benchmarks for ZEB cost and performance established at the time of rule adoption. This regulatory assessment should allow the Board to issue an across-the-board suspension of the ZEB purchase requirement, much like the original Transit Fleet Rule did, if real-world ZEB cost and performance is not yet at parity with the cost and performance of conventionally-fueled transit buses. This provision would have no impact on the ZEB purchase requirement, if benchmarks for ZEB cost and performance are being met, as anticipated by ARB staff and interest groups.
- **Incentives:** The staff report supporting the proposed regulation emphasizes the importance of incentive funding to minimizing adverse impacts to transit service (see Initial Statement of Reasons, pages ES-8, III-8, VIII-26). Given the stated importance of this funding and our shared goal of protecting vital transit service, this provision would require ARB to revise its current policy disallowing the use of incentive funding to meet regulatory compliance to explicitly allow transit agencies to use incentive funding whenever they are prepared to purchase a ZEB. In addition, the HVIP is an equitable and efficient process for offsetting the cost of a zero emission bus. However, CARB must express its support for creating an infrastructure funding program. This program should also be available to small operators to finance the rollout plans. Without a secure source for infrastructure investments in fueling/charging facilities, maintenance facilities, and storage capacity, the ability to meet the goals of this rule is doubtful. We urge the Air Resources Board to review and compare purchase orders and actual costs associated with the purchase of CNG/Clean Diesel vehicles and Battery-electric vehicles. Battery-electric buses are more than double the cost of CNG/Clean Diesel Buses *after* HVIP vouchers. The HVIP program and PG&E transit budgeting are non-dedicated, temporary funding sources available to implement a costly and sometimes unreliable form of technology. Dedicated and reliable funding and incentive programs will allow for continuity of services when implementing the technology.
- **Delayed Compliance:** **The Humboldt Transit Authority** strongly supports the delayed compliance for small operators with adopting the rollout plans and purchase mandates. As a small operator, additional time will be needed to secure funding for developing and adopting the rollout plans. Implementation of Innovative Clean Transit may require our agency to purchase and build new storage facilities to meet infrastructure requirements of electric charging stations. The additional time needed to develop the rollout plans support the need for the later purchase



133 V Street
Eureka, CA 95501

A Public Entity Serving Humboldt County Since 1976

Office: (707) 443-0826
Fax: (707) 443-2032
www.hta.org

mandate timeline. The later purchase mandate should also benefit our agency to take advantage of lower vehicle prices as demand increases and supply chains mature. **Humboldt Transit Authority** routes average 300 miles and a largest of being 360 miles and service provided in less ideal ZEB-driving conditions, such as inclement weather and steep grades. Delayed compliance allows our agency to begin purchasing Electric Buses as the technology advances and begins to meet range requirements for our standard routes. Earlier compliance may force our agency to otherwise cut services, some of which provide lifeline services to individuals with limited mobility options.

- **Cutaway Definition:** The Humboldt Transit Authority also supports the proposed definition of a cutaway bus. These vehicles are the workhorse of small transit systems due to their lower capital and operating costs. These vehicles are produced in a wide variety of sizes, and the proposed definition specifying vehicles weight of 14,000 pounds to 26,000 pounds is appropriate. In addition, the rule recognizes that a commercially available zero emission cutaway bus is currently not available.
- **Small Operator Definition:** As an agency that operates 18 vehicles during peak operations but has 37 vehicles total, we urge the Board to reconsider the definition of a “small operator” and use the definition employed by federal and state programs for compliance purposes. The proposed regulations define a small operator as any operator with less than 100 buses. Humboldt Transit Authority urges the Board to rely on the current federal definition that specifies a small operator as having less than 100 buses during peak operations. The number “100” is nominal and does accurately portray the size of an operator as a whole. Many vehicles in a fleet may not be regularly used: some may only be used during emergencies or during fleet maintenance, may be retired, or may be vehicles that have met their useful life. We urge CARB not to rely solely on NTD data for the total number of buses because these numbers can represent total buses on the lot including buses being sold or disposed that have met their useful life and back up vehicles used for emergencies.
- **Funding Considerations:** We urge the Air Resources Board to consider the vast difference between agencies considered small to both the Federal Transit Administration and California Department of Transportation but not the Air Resources Board. These agencies are traditionally rural or non-profit/ADA providers with inequitable funding in comparison to “other” large operators pooled into the same definition by the Air Resources Board. These agencies have much smaller staffing capacities and current transit employment trends, such as driver and maintenance staff shortages are exacerbated in smaller communities. These agencies often have much larger routes and service areas. Rural transit systems and ADA/non-profit providers face unique challenges that are not considered in the regulation as it exists today due to vague definitional standards.

We respectfully ask that you consider the comments we have provided in addition to those provided by the California Transit Association and the California Association for Coordinated Transportation (CALACT.) Our agency is committed to alleviating providing mobility options to our community and reducing the dependence on single use vehicles. We support efforts to reduce pollution in our community but ask that you consider our comments as to protect California’s transit agencies, and the riders who rely on our service, from the risks associated with this transition. We greatly appreciate your continued commitment to working with the California Transit Association to get this proposed regulation right.



133 V Street
Eureka, CA 95501

A Public Entity Serving Humboldt County Since 1976

Office: (707) 443-0826
Fax: (707) 443-2032
www.hta.org

If you have any questions or comments, please feel free to contact me at (707) 443-0826.

Sincerely,

Greg Pratt
General Manger

cc: Richard Corey, Executive Officer, California Air Resources Board
Steve Cliff, Deputy Executive Officer, California Air Resources Board
Jack Kitowski, Chief, Mobile Source Control Division, California Air Resources Board
Tony Brasil, Heavy Duty Diesel Implementation Branch, California Air Resources Board
Shirin Barfjani, Mobile Source Control Division, California Air Resources Board