



November 26, 2018

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

Will be submitted via CARB's "ict2018" online comment submittal form

Re: Proposed Innovative Clean Transit Regulation, a Replacement of the Fleet Rule for Transit Agencies -- Modifications to the Proposed Regulation Order

The California Electric Transportation Coalition (CalEtc) appreciates the opportunity to provide our support and recommendations for the California Air Resources Board (CARB) proposed Innovative Clean Transit regulation, modifications to the proposed regulation order.¹ CalEtc appreciates staff's efforts to convene stakeholders, consider feedback during the development of this proposal, and thoroughly analyze regulatory options. We urge CARB to expeditiously approve the proposed regulation.

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. The adoption of this proposed

¹ Available at: <https://www.arb.ca.gov/regact/2018/ict2018/ict2018.htm>.

regulation is a key component of California's overall shift to zero-emission transportation to protect public health, achieve our clean air and climate targets, and spur economic growth in the state. Transforming California's transit fleet to a zero-emission fleet will also help accelerate the transition to zero-emission technologies in other segments of the medium- and heavy-duty transportation sectors to meet air-quality, climate, and public-health goals.

CalETC supports the modifications to the proposed regulation order with a few suggested improvements, summarized below.

I. CalETC supports the Proposed Regulation's Zero-Emission Bus Rollout Plan concept and 2040 zero-emission deadline.

It is imperative the Innovative Clean Transit regulation achieves a zero-emission transit system by 2040. We support the key element of the proposed regulation to require transit agencies to develop plans to transition to zero-emission bus (ZEB) fleets by 2040. The transition to ZEBs by 2040 is consistent with purchase schedules of transit agencies and is necessary for the state to meet its clean air and climate targets.

II. The proposed ZEB purchase requirement timeline is reasonable.

We recognize the financial constraints of transit agencies and value the important services transit agencies provide. In our previous comments, we supported allowing transit agencies additional time to plan and access public funding. We find the proposed purchase requirement timeline, flexibilities, and exemptions reasonable, though we continue to support allowing transit agencies to access public funding, to the extent allowed by law, throughout their transition to a zero-emission fleet, so long as the 2040 deadline for a zero-emission transit system is not delayed. 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. Should there be a viable option to allow for transit agencies to access incentive funding as they transition to ZEBs, even after purchase-requirement deadlines commence—such as modifying the criteria of the Hybrid and Zero-Emission Truck and Bus Voucher Incentive Project (HVIP)—we would support that option.

III. CalETC recommends fuel-cell-electric and battery-electric buses receive the same amount of bonus credits for early compliance.

The proposed bonus credit structure for zero-emission buses differs for battery-electric and hydrogen fuel-cell buses. CalETC recommends that these buses receive the same amount of bonus credits for the same early-compliance period.

CalETC supports the addition of the provision allocating credit for electric trolleybuses placed in service between January 1, 2018 and December 31, 2019.

IV. CalETC finds the amended zero-emission bus thresholds for discharging the 2023 and 2024 zero-emission bus purchase requirements reasonable.

The modified quantities of early-adopted zero-emission buses required for waiving the initial zero-emission bus purchase requirements in 2023 and 2024 are reasonable.

V. CalETC finds the amended provisions for exemption of a zero-emission bus purchase generally reasonable, but recommends clarifying the length of a granted exemption and more clearly defining the range/mileage needs exemption.

The modifications proposed for exempting transit agencies from zero-emission bus purchase are generally reasonable and we support CARB's intent to ensure that transit service in California is not adversely affected. The proposed regulatory language allows for transit agencies to request an exemption from a particular calendar year's compliance obligation under specified conditions.

We support these provisions, but urge CARB to ensure that exemption for zero-emission bus purchases is not construed as exempting transit agencies from future compliance obligations beyond the calendar year's obligation for which the transit agency receives the exemption.

CalETC also agrees with other stakeholders that the range/mileage needs exemption should be more clearly defined, in keeping with the intent of the regulations, to ensure that transit agencies will transition all buses with routes that can be served by zero-emission buses before requesting this exemption. For example, a transit agency should not be allowed to use this exemption if it: chooses to begin its proposed implementation with its longest routes and requests an exemption when it could instead begin its transition with its shorter routes; claims that all of its buses must meet the needs of its longest routes; and if it claims that a zero-emission bus must meet the maximum range of the combustion-engine bus on a given route, when that route does not require the full range of the combustion-engine bus.

VI. CalETC recommends the Innovative Clean Transit regulation require cutaway and non-standard buses to transition to zero-emission technologies two years after at least two commercially-available vehicles have completed Altoona testing.

CalETC supports the proposed regulation initially excluding purchase requirements for cutaway buses, over-the-road buses (motor coaches) and articulated 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-emission options, such as through crediting, but agree it is not appropriate to institute purchase requirements at this time.

Should there be an opportunity to further revise the proposed regulations, CalETC recommends cutaways and non-standard buses be included in the proposal, with purchase requirements beginning for these buses two years after at least two commercially-available vehicles have completed Altoona testing. This will encourage vehicle manufacturers to manufacture and test the vehicles because they know there will be

demand from transit agencies once the vehicles are commercially available; and will also give transit agencies time to plan for transitioning non-standard buses to zero-emissions.

VII. Conclusion

Overall, CalETC supports the Proposed Innovative Clean Transit regulation modifications and speedy approval of the proposal. The Innovative Clean Transit regulation is a necessary component of the state's clean-transportation plan. Transitioning California's transit fleets to zero-emission technologies will help the state meet its air-quality, climate, public-health, and economic 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 diligent work and commitment to involve stakeholders throughout the development of the proposed regulation. CalETC supports staff's recommendations to continue to work with transit agencies and other stakeholders to assess and adjust the regulation if necessary.

Thank you for your consideration of our comments. Please do not hesitate to contact me if you have any questions via phone at (916) 551-1943 or via email at hannah@caletc.com.

Sincerely,



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California Electric Transportation Coalition