



November 26, 2018

Mary D. Nichols, Chair
California Air Resource Board
1001 I Street
Sacramento, CA 95814

RE: Proposed Amendments to the Innovative Clean Transit Regulation

Dear Chair Nichols:

On behalf of the Alameda-Contra Costa Transit District (AC Transit), I again want to start by expressing our appreciation to the California Air Resources Board (CARB) staff for the significant time and attention they spent on the development of the Innovative Clean Transit (ICT) rule.

The proposed rule has made considerable strides in addressing the real world constraints faced by AC Transit and all transit operators, but there remain elements that should be incorporated. These amendments would improve the efficiency and equity in implementing the ICT Rule.

- At September's Board meeting, Board members made numerous comments that the ICT Rule should reflect a partnership with transit operators and not a mandate. We appreciate this sentiment, and AC Transit is committed to working with CARB on transitioning to a zero emission fleet. However, this partnership needs to include a funding commitment for infrastructure investments in fueling/charging facilities, maintenance facilities, and storage capacity.
- To further enhance the partnership with transit operators, a periodic review of zero emission bus (ZEB) technology advancements should be included in the final ICT Rule. An independent technology review can be scheduled at three-year intervals to establish benchmarks that would allow Original Equipment Manufacturers (OEMs) and energy providers time to realize and deliver advancements promised during the ICT ruling process. The review will consider advancements in ZEB range, scalability of fueling/charging facility technology, and reduction in cost of ZEBs, infrastructure, hydrogen fuel and electricity rates. If advancements with ZEB technology have not materialized during the review year, implementation of the ICT Rule can be delayed until the OEM's and energy providers achieve the benchmark targets.
- AC Transit supports the clarifications made to the exemption provisions. In particular, the exemptions related to vehicle range, gradeability, and financial hardship. With respect to financial hardship, the recent amendments allow for an exemption based on the inability to offset the electricity cost for depot charging a battery electric bus. However, this does not include the potential high cost of electricity to produce hydrogen or the cost of

purchasing hydrogen for fuel cell buses. We urge you to expand this exemption to recognize the fiscal impacts of both electricity and hydrogen costs.

AC Transit's leadership in the development of zero emission bus technology underscores its commitment to transitioning to 100% zero emission buses. However, AC Transit continues to have concerns regarding the uncertainty with the scalability, the uncertainty with the technology, and the uncertainty with the financial ability to implement this rule.

Therefore, on behalf of AC Transit, thank you for your time invested in this issue, and I urge your favorable consideration of these amendments. If you have any questions or require more information, please do not hesitate to contact me at (510) 891-4753.

Sincerely,



Michael Hursh

General Manager, AC Transit

Cc: Senator Nancy Skinner
Senator Bob Wieckowski
Assemblyman Tony Thurmond
Assemblyman Rob Bonta
Assemblyman Bill Quirk
Assemblyman Kansen Chu
AC Transit Board of Directors
Salvador Llamas, Chief Operating Officer
Beverly Greene, Executive Director of External Affairs, Marketing & Communications
Steve Wallauch, Platinum Advisors