**November 26, 2018**

**California Air Resources Board, Members**

**1001 I Street**

**Sacramento, CA 95814**

Dear Chair Nichols and Members of the California Air Resources Board:

We, the undersigned stakeholders, as part of the Californians for Zero-Emission Vehicles (CalZEV) coalition, are writing to reiterate our support for the earliest possible adoption of the Innovative Clean Transit (ICT) measure, and a commitment to 100% zero-emission transit fleets by 2040.

As Chair Nichols noted during the September 28, 2018 public hearing, this measure is long overdue. If California is to meet its ambitious clean air and greenhouse gas reduction goals, our municipal, regional and state transportation systems must adopt zero-emission vehicles.

Zero-emission transportation benefits all Californians. It brings us cleaner air, a particularly important benefit for low-to-moderate income communities that suffer disproportionately from poor air quality; it reduces greenhouse gas emissions and leads to local job creation. California’s leadership on clean transportation would not be where it is today without CARB’s forward-thinking actions, and we would like to thank you for your continued work on this important measure.

While there is broad and diverse support for the ICT measure, including from transit agencies like LA Metro, LADOT, AC Transit, Foothill Transit, SFMTA, and Sacramento MTA, there were concerns at the September 28, 2018 public hearing. We would like to collectively address these concerns enumerated below.

1. **“We need to benchmark features such as cost and performance.”**

Electric drivetrain technology is commercially proven and tested, making regulatory benchmarking unnecessary to the success of this rule: U.S. transit agencies have logged millions of miles of revenue service with hundreds of zero-emission buses, and these fleets are growing in number every month. Zero-emission buses outperform combustion buses across every major performance category including efficiency, acceleration, and gradeability. Furthermore, zero-emission buses have demonstrated that they can meet unique service needs in diverse settings from Juneau, Alaska to Tallahassee, Florida.

CalZEV is concerned that a one-size-fits-all benchmarking system would redirect staff resources thereby increasing project timelines and hampering commercial progress, which would ultimately hinder California’s ability to scale zero-emission fleets. This is an unnecessary distraction since the technology has been commercially proven, making many of the cost and performance trade-offs based upon specific manufacturer approaches rather than technical limitations. Transit agencies already evaluate such differences regularly when making procurements, and having CARB play a greater role in that process would shift staff resources that would be better used in planning to meet route- and location-specific needs.

1. **“More concrete funding resources are needed for the transition.”**

We believe that transit agencies need more funding for planning to serve disadvantaged communities that disproportionately rely on public transportation. We recognize the need to provide agencies with reliable and adequate support, and we encourage CARB and the California Legislature to continue providing vital incentives, like HVIP, and state funding through the entire transition period to 100% zero-emission buses.

There have also been concerns about operating costs. However, two of the large investor-owned utilities in the state, Southern California Edison (SCE) and Pacific Gas and Electric Company (PG&E) have approved filings that will help support the ICT measure, and the third, San Diego Gas & Electric Company (SDG&E), is awaiting approval of its filing. Southern California Edison is implementing its recently-approved rates for commercial customers with electric vehicles. The new rates eliminate demand charges for the first five years, and instead recover electricity costs through a volumetric energy charge. PG&E also recently filed for a new rate that will reduce costs for commercial electric vehicle applications upon approval. SDG&E held a rates workshop in November to showcase both the SCE and PG&E rates and solicited comments for how to proceed on their own rate structure for commercial applications.

On behalf of the CalZEV coalition, we believe that new rate structures for electricity will make electricity competitive with fossil fuels.

In addition, software management of charging technology within and outside these rate filings will also be effective in cost minimization of electricity as a fuel.

1. **“The timing is too aggressive for small and medium transit agencies.”**

As CARB Board member De La Torre stated at the most recent hearing, “22 years is plenty of time to work through any issues.” We believe the proposed timeline remains realistic and provides transit agencies an appropriate amount of time to comply. However, the Zero Emission Bus (ZEB) Rollout Plan for small transit agencies, the deadline for which is currently June 30, 2023, could benefit from the same requirement plan deadline as the large transit agencies to forecast and prepare for the transition by June 30, 2020. It is critical to establish a plan sooner rather than later, so transit agencies, manufacturers and utilities will be able to plan and ensure a smooth transition to zero-emission vehicle technology.

In addition, we encourage CARB to remove the exemption for cutaway, over-the-road (motor coaches), and articulated buses. These vehicles are presently excluded from the ZEB purchase requirements until January 1, 2026. While we support that these bus types may be excluded from this rule initially, we recommend that transit agencies should be required to purchase buses in these categories two years after at least two commercial buses have been Altoona tested and are CARB certified, and they should be included in infrastructure planning. This will allow transit agencies to prioritize their initial efforts on ZEB transition with standard transit buses that make up the majority of transit agencies’ vehicles, while ensuring manufacturers are encouraged to certify existing shuttle bus types to allow transit fleets to use those solutions to serve their paratransit needs.

Thank you, and we look forward to working with you to ensure California remains a leader in electric vehicle technology and healthy communities.

Sincerely,

Californians for Zero-Emission Vehicles (CalZEV)

Members include:

