

Clean Transportation Technologies and Solutions

www.calstart.org

April 7, 2023

California Air Resources Board Liane Randolph, Chair 1001 I Street Sacramento, CA 95814

<u>Re: Advanced Clean Fleet Regulations: Modified Text and Availability of Additional</u> <u>Documents</u>

Dear Chair Randolph,

CALSTART would like to thank California Air Resources Board (CARB) staff and Board Members for the work put into advancing a strong and feasible Advanced Clean Fleet (ACF) rule. Staff should be commended for their commitment to communications, transparency, and working towards a final rule that continues to push the ambitious timeline required for achieving California's climate goals. In the latest released version (15-Day Notice revisions), CALSTART strongly supports the accelerated timeline for zero-emission truck (ZET) sales that moves the deadline from 2040 to 2036. While we remain concerned over the potential for some fleets to misuse exceptions and exemptions to delay their transition to zero-emission and continue using diesel vehicles, staff has clarified requirements and the process to remove several possible loopholes.

CALSTART is a 30-year-old, California-based clean transportation consortium focused on helping the clean transportation technology industry accelerate the transition to zeroemissions. Our 300+ members are all dedicated to the growth of the clean transportation industry, and we work with the public and private sectors to drive innovation in the clean transportation sector. CALSTART membership is comprised of vehicle manufacturers, parts and components manufacturers, EV charging station providers, transit agencies, low carbon fuel producers, and more.

Over the years, CALSTART and CARB have had a strong partnership that has resulted in thousands of medium- and heavy-duty diesel vehicles transitioning to zero-emission. Our past work together and future rule adoptions like ACF are more critical than ever, as the latest Intergovernmental Panel on Climate Change (IPCC) describes humanity as facing a last opportunity to avoid the worst consequences of climate change by implementing known and effective options to reduce greenhouse gas emissions and adapt to human-caused climate change. The latest IPCC report highlights decarbonizing transportation sectors such as medium- and heavy-duty goods movement as critical elements to achieving global climate goals.

As CARB Board Members and staff continue taking comments on the ACF rule adoption, CALSTART wanted to speak to two issues; the ZET truck sales mandate and the exceptions and exemptions being provided to fleets.

ZET Sales Mandate:

In our original comment letter on ACF, we wrote, "The Accelerated Zero-Emissions Vehicle Transition would put a 100 percent ZEV sales requirement to 2036 instead of 2040. This would more closely align MHD ZETs with the Advanced Clean Truck (ACT) rule timeline of 2035 and hopefully build off the ACT sales requirements. The Accelerated Zero-Emission

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Vehicle Transition results in roughly 560,000 ZEVs by 2035 and 1,810,000 ZEVs by 2050. This would be an increase of 230,000 compared to the proposed ACF regulation.¹" CALSTART stands by that statement and is heartened and supports CARB staff incorporating the accelerated timeline of 2036 rather than keeping the original 2040 date. Zero emission products are ready to make this pace of transition.

California's multi-year ZEV budget investments, starting in fiscal year 2021-2022 show a powerful commitment to full ZET adoption in the state. In 2021, Governor Gavin Newsom set a goal of helping fund 1,000 new zero-emission drayage trucks, 1,000 new zero-emission school buses, and 1,000 new zero-emission transit buses. The administration and legislature have committed to \$8.9 billion in multi-year funding for light-, medium-, and heavy-duty zero-emission vehicles (ZEVs) and ZEV infrastructure, sending a signal to the market, manufacturers, and fleet owners and operators that California will provide incentives for early adopters. This funding is being added to by federal legislation like the Bipartisan Infrastructure Law and the Inflation Reduction Act, which are providing funding and tax credits for clean commercial vehicles, electric vehicle (EV) charging stations, and hydrogen refueling infrastructure.

Vehicle Exemptions and Exceptions:

CALSTART commends staff's continued engagement with fleets and stakeholders to understand and discuss delays such as vehicle availability and issues with infrastructure and interconnection. We remain concerned some fleets may use exemptions and exceptions to delay their fleet transition to zero-emission and continue emitting harmful greenhouse gasses and particulates. We believe the zero-emission technology can meet the production volumes required, and that the infrastructure build out, while currently in a steep learning curve, is eminently scalable over the time period of the rule to support fleet needs.

ZET deployments to date are largely consistent with the Beachhead Theory of Change, a zero-emission technology strategy pioneered by CALSTART and CARB. While a majority of the early MHD ZET population is medium-duty (MD), the heavy-duty (HD) number of ZETs is expected to grow rapidly due to increased HD truck model availability, a conducive business case and the volume of future HD truck orders we are starting to see.

Our concern with the modified text remains that there could be up to a possible five-year lag built into the rule because of the infrastructure delay exemption allowing fleets to continue using older, more polluting technology. We will continue working with CARB staff to share the latest examples of infrastructure, interim and long-term strategies – such as transitional, temporary, and mobile infrastructure products - already available to the market to speed deployment today and serving as indications of what technology will be ready to be deployed in future years.

Conclusion:

CALSTART continues to believe we can and must do better to protect the health of California's communities while accelerating the types of clean transportation technology available to fleets and drivers. CARB has successfully pushed and supported the private sector to create new, zero-emission technology by providing incentives while also toughening standards. We believe the ACF rule will be the latest achievement that will

¹ Proposed Advanced Clean Fleets Regulation Staff Report: Initial Statement of Reasons, 248



keep California on the leading edge of what technology can provide and where it is going to achieve our state's climate goals. For the reasons listed above, CALSTART asks CARB Board Members and staff to move forward with adopting the modified ACF rule.

Thank you for the opportunity to provide comments on this important proposed regulation. If you have any questions, please feel free to reach out to CALSTART staff.

Sincerely, Orville Thomas <u>othomas@calstart.org</u> State Policy Director