



April 7, 2023

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Re: Sacramento Municipal Utility District's Comments on Proposed 15-Day Changes for the Advanced Clean Fleets Regulation

The Sacramento Municipal Utility District (SMUD) appreciates the opportunity to comment on the California Air Resources Board's (CARB) "Proposed 15-day Changes to the Proposed Regulation Order" for the Advanced Clean Fleets (ACF) regulation issued on March 23, 2023 ("15-Day Language"). SMUD strongly supports a comprehensive strategy to accelerate California's transition to zero-emission vehicles (ZEVs). In addition to expanding incentives and programs to help our commercial and fleet customers switch to electric vehicles, we have taken a proactive approach to electrifying our own fleet.

The market transformation spurred by the ACF and the corresponding Advanced Clean Trucks rule for manufacturers will play a crucial role in realizing the state's climate and environmental goals. However, given the nascency of the ZEV truck market – especially for specialized, heavier-duty vehicles – and the diversity of individual fleets and their operations, SMUD has also recommended throughout the rulemaking process that the ACF incorporate reasonable compliance flexibility and practical exemptions as a safeguard against unintended consequences.

SMUD believes the 15-Day Language takes an important step toward providing this needed flexibility by allowing any public fleet to opt into the ZEV Milestones Option and updating several proposed exemptions, including the "fleet-specific" ZEV purchase requirement. SMUD has our own 2030 fleet emissions reduction goals, and the ZEV Milestones Option aligns more closely with our anticipated procurement strategy than a purchase requirement; we thank CARB for providing this important compliance flexibility. However, we remain concerned that the proposed exemptions may still create unreasonably high barriers for fleets that seek relief due to circumstances outside of their control.

While SMUD believes that, with the ZEV Milestones Option, we should have a path to comply with the ACF requirements, our ability to achieve compliance targets in real time will depend on external factors around which there are still significant uncertainties. We also recognize that many smaller and differently situated publicly owned utility (POU) fleets will face additional practical challenges under the current proposed rule.

We believe additional revisions would better position the proposed regulation for successful implementation and offer specific redlines for CARB's consideration. If CARB determines additional 15-day changes are not feasible at this time, however, we encourage staff to clarify these issues in the Final Statement of Reasons and consider a subsequent rulemaking to ensure their resolution.

SMUD offers the following specific feedback on and recommendations for the 15-Day Language, each of which is further described in our comments:

- Support inclusion of ZEV Milestones Option for public fleets.
- Recommend revisions to ZEV Purchase exemption, including criteria for documentation and an opportunity for fleets to respond, to ensure process is fair and practical.
- Recommend clarifying exemption process for fleets that comply via the ZEV Milestones Option to avoid creating an undue administrative burden.
- Support inclusion of ZEV site electrification exemption but recommend clarifying information submitted by fleet owner.
- Recommend extending Non-Repairable Vehicle exemption to fleets complying with ZEV Milestones Option and addressing damage or loss of ZEVs.
- Recommend removing the 13th model year restriction for public fleet exemptions.
- Support clarifications to Mutual Aid Assistance exemption, but recommend additional revisions to address practicality of mobile fueling and alternative cap for small fleets.
- Recommend additional revisions to Daily Usage exemption to better assess a ZEV's ability to perform a specific duty cycle.
- Recommend revisions to reporting requirements to reduce administrative burden on fleets.
- Support NZEV recognition for public fleets.
- Support recognition of intermittent snow removal vehicles.
- Support additional time for government fleets to secure replacement purchase orders when an order is cancelled by the manufacturer.

SMUD thanks CARB staff for their consideration and continued engagement in the development of this important rule.

Support inclusion of ZEV Milestones Option for public fleets.

SMUD thanks CARB staff for including the new language in section 2013 (e) of the 15-Day Language that allows public fleets to voluntarily elect to comply permanent via the ZEV Milestones Option in section 2015.2 in lieu of meeting the purchase requirements in section 2013 (d). Public fleets are diverse in their operations, resources, and purchasing strategies, and the ZEV Milestones Option provides reasonable compliance flexibility while still ensuring a robust and timely transition to ZEVs. While SMUD is still evaluating compliance options, we believe the ZEV Milestones Option may better align with our own 2030 fleet goals. However, as further discussed below, there are external factors that may affect whether the intended flexibility of the ZEV Milestones approach can be realized.

Recommend clarifying exemption process for fleets complying via the ZEV Milestones Option to avoid creating an undue administrative burden.

In the 15-Day Language, fleets that elect to comply via the ZEV Milestone Option must meet additional requirements to qualify for a ZEV purchase exemption or daily usage exemption. Specifically, section 2015.2 (f)(2) and (5), respectively, require fleets to demonstrate that their next applicable upcoming ZEV Fleet Milestone cannot be reached without exemptions by requesting and obtaining exemptions for all other ICE vehicles in their California fleet.

SMUD is concerned that making this showing could be very burdensome for a fleet owner and could potentially result in the submission of hundreds of exemptions at the same time – an undue administrative burden for both fleets and CARB staff. Requiring exemptions for all ICEVs in the California fleet would also effectively nullify the future milestone targets, because the fleet would have received exemptions for all remaining ICEVs.

SMUD recognizes that the ZEV Milestones Option is intended to provide compliance flexibility by allowing fleets to focus first on the vehicles that are easiest to electrify, thereby reducing or eliminating the need for exemptions. However, the practical matter remains that vehicles most suitable for ZEV replacement, based on current technology and use case, may not be available to purchase. For example, SMUD intends to continue purchasing medium-duty ZEV pickups even with the significant price premium, but our allocation from the manufacturer has been limited to four trucks. Given the current uncertainty about the availability of ZEVs even for easy-to-electrify use cases, we believe a clear and practical exemption process for the ZEV Milestones Option is necessary.

SMUD requests that the proposed language implying fleets may need to request and obtain exemptions for all remaining vehicles be removed. Alternatively, SMUD requests the FSOR clarify that a fleet seeking an exemption for a given vehicle should be required to identify why no other fleet vehicle can be replaced with a ZEV rather than submitting simultaneous exemption applications for every remaining vehicle in the fleet.

Recommend revisions to ZEV Purchase exemption, including criteria for documentation and an opportunity for fleets to respond, to ensure the exemption process is fair and practical.

SMUD greatly appreciates the proposed addition of the fleet-specific ZEV Purchase exemption in the 15-Day Language. Such an exemption is necessary because specifications beyond the broad, generalized body configuration determine whether a ZEV can perform the fleet's primary intended functions, and the required specifications vary based on each fleet's operational needs.

However, SMUD is concerned that the proposed ZEV purchase exemption in section 2013.1 (d) and 2015.3 (e)(2) relies heavily on manufacturer marketing claims and the assessment of the CARB Executive Officer, who necessarily will not be able to be an expert in the technical operations of individual fleets. To ensure an objective and informed exemption process, minimum requirements for the documentation evaluated by the CARB Executive Officer should be established – specifically, the documentation should include evidence of battery capacity, range, compatibility with auxiliary equipment, payload, delivery date commitments, and maintenance/warranty support – and the exemption should provide an opportunity for the fleet owner, as the expert on its own operational needs, to respond to the Executive Officer's determination.

SMUD recommends that CARB incorporate the changes outlined below to section 2015.3 (e)(2)(C)-(E), as well as make conforming changes to section 2013.1 (d)(2)(C)-(E). Because this exemption is likely to be used early in the regulation implementation, while the ZEV truck market is still nascent, SMUD recommends that CARB incorporate these changes prior to adoption the final ACF regulation. If CARB determines the timing for additional regulatory changes is not possible, however, SMUD recommends that CARB clarify in the FSOR that the documentation considered by the Executive Director must include evidence from the manufacturer and that fleets will be afforded the opportunity to appeal the Executive Officer's denial of an exemption request.

Section 2015.3 (e)(2)(C)-(E)

(C) After receiving a complete submission, the Executive Officer shall rely on information gathered from fleet owners or manufacturers, including information gathered to comply with other CARB-administered programs, manufacturer websites, manufacturer documentation, authorized dealers, CARB-issued Executive Orders, and their good engineering and business judgment to determine whether the configuration is available for purchase as a ZEV or NZEV from any manufacturer, and whether the identified body submitted in section 2015.3 (e)(2)(A)(3) or a body from another manufacturer that can perform the same primary intended function can be installed on the offered ZEV or NZEV.

(D) The Executive Officer shall consider an offered ZEV or NZEV available to purchase if all of the following criteria are met:

1. If applicable, the manufacturer has certified the ZEV's powertrain with CARB in accordance with the "California Standards and Test Procedures for New 2021 and Subsequent Model Heavy-Duty Zero-Emission Powertrains," ...
2. ZEVs or NZEVs offered have a model year 18 months or less from the date the fleet owner submitted the complete exemption request;
3. ZEV or NZEV configuration is not solely for demonstration, test, or experimental purposes;
4. [Documentation from the manufacturer or authorized dealer shows evidence of battery capacity, range, compatibility with and run time of existing equipment where applicable, and payload; a commitment to deliver the vehicle within 18 months, and a list of service centers within reasonable proximity to the fleet;](#)
5. [Based on the documentation in subparagraph \(4\), the ZEV or NZEV meets the fleet's required specifications;](#)
6. [The ZEV or NZEV is not offered solely from manufacturers or authorized dealers that have failed to deliver on commitments to fleets on at least two separate occasions;](#)
7. ZEVs or NZEVs are not offered as a temporary placeholder for a vehicle that may or may not be offered for sale in the future; and;
8. ZEVs or NZEVs do not conflict with safety standards that the fleet owner is subject to, if applicable

(E) If the Executive Officer identifies any manufacturer that offers for sale a ZEV chassis or complete ZEV in the needed configuration, with the needed frame attachments, and on which the identified body submitted in section 2015.3(e)(2)(A) or an equivalent body from another manufacturer or authorized dealer that can perform the same primary intended function and meets the fleet's required specifications, the Executive Officer will supply the names of the manufacturers or authorized dealer to the fleet owner applicant, along with the information upon which the determination was based. The fleet owner shall have 30 days to review the information and respond if the information does not show the identified ZEV or NZEV is available and meets the fleet's required specifications. The Executive Officer shall review the fleet owner's response, if applicable, and within 14 calendar days, issue an approval or denial of the exemption application. If the exemption application is denied, ~~deny the exemption request, and~~ the Executive Officer will remove the vehicle configuration from the ZEV Purchase Exemption List.

Support inclusion of ZEV Infrastructure Site Electrification Delay but recommend clarifying information submitted by fleets.

SMUD appreciates the inclusion of the ZEV Infrastructure Site Electrification Delay in section 2013.1 (c)(2) and section 2015.3 (c). While SMUD continues to plan proactively and is working to position the grid for ZEV adoption, we recognize the value of including this exemption to provide protections for any fleets with a service request that requires more significant distribution system upgrades to complete due to the specific circumstances.

SMUD also appreciates CARB's staff consideration of what information can be readily supplied by the utility to help substantiate this request and recognition that the fleet owner must make the determination of what specific charging infrastructure they need and the number of vehicles it can support.

In addition, we recommend one change to specify that, as part of the exemption application to CARB, fleets identify the date by which they plan to complete the necessary customer-side construction. While SMUD provides customers an estimated project completion date along with design, we do not begin construction until the customer has installed all the required infrastructure on their side. As such, a delay in customer-side construction may change the estimated project completion date.

SMUD offers the following redlines for CARB's consideration; alternatively, we recommend CARB include this as a clarification in the FSOR.

Section 2013.1 (c)(2)

ZEV Infrastructure Site Electrification Delays. Until January 1, 2030, fleet owners may request this extension if their electric utility provider determines it cannot provide the requested power to the site where ZEVs will be charged or refueled before the fleet's next ZEV compliance deadline.

(C) The fleet owner must submit all of the following information by email to TRUCRS@arb.ca.gov to request this extension:

1. A copy of the application submitted to the utility requesting site electrification that is consistent with the number of ZEVs the fleet owner must deploy each calendar year to meet their compliance requirements during the requested extension period and date when the applicant will complete installation of all utility required infrastructure;

Recommend extending Non-Repairable Vehicles exemption to fleets complying with ZEV Milestones Option and addressing damage or loss of ZEVs.

The 15-Day Language includes a new exemption category for fleet owners that temporarily need to replace a vehicle due to an accident or other one-time event outside of the fleet owner's control, such as a fire or catastrophic failure. However, this exemption is only applicable to fleet owners complying with the public fleet purchase requirements in section 2013 or the model year requirements in section 2015.1.

SMUD urges CARB to extend this exemption to fleets complying with the ZEV Milestones Option and to address damage or theft of *both* ICEVs *and* ZEVs. While fleets complying via the ZEV Milestones Option do not require exemptions to purchase ICEVs, as long as they meet the overall applicable milestone target, relief under this exemption may be needed under the following circumstances:

- The lost or damaged ZEV is needed to meet the ZEV Milestone requirement and securing a replacement within the fleet takes time. This is particularly important given the changes to section 2015 (d)(2) specifying that compliance with the ZEV Milestones Option is assessed continuously, rather than on an annual basis.
- The fleet owner purchases a replacement ICEV, but is required to retire it before the end of its useful life to meet their ZEV Milestone requirement. This could result in significant financial hardship for the fleet owner.

In addition, SMUD recommends that CARB clarify that theft is considered a one-time circumstance outside of the fleet owner's control, and that a vehicle be considered eligible if the chassis or primary equipment beyond repair (e.g., salvage). In certain circumstances, parts of the vehicle other than the engine, such as the transmission, may be damaged and require vehicle replacement.

SMUD recommends the following addition to section 2015.2 (f) to address these circumstances in 15-day changes. Alternatively, SMUD recommends clarifying in the FSOR that CARB intends to make these changes in a future regulatory update.

Section 2015.2 (f)

(10) Non-repairable Vehicles. Fleet owners that need to temporarily replace a vehicle due to an accident or other onetime event due to circumstances beyond the fleet owner's control, such as fire, catastrophic failure, or theft, that damages the chassis or primary equipment such that the vehicle is not repairable, or results in loss of the vehicle, may request and obtain an exemption as follows:

(A) A fleet owner that receives this exemption for a qualifying ICEV may purchase a vehicle of the same configuration and engine of the same or newer model year and exclude it from the ZEV Milestone Calculation specified in section 2015.2 (b) until the end of its useful life.

(B) A fleet owner that receives this exemption for a qualifying ZEV may continue to count the ZEV toward its Milestone requirements until a replacement ZEV has been purchased and delivered, even if the qualifying ZEV is removed from the California fleet before the replacement ZEV delivery.

Recommend removing the 13th model year restriction for public fleet exemptions.

The 15-Day Language includes a new proposed provisions in section 2013 (n) that restricts use of the ZEV purchase, daily usage, and infrastructure delay exemptions to the replacement of ICEVs that are at least 13 years old for public fleets that comply via the public fleets purchase requirements. SMUD recommends CARB remove this proposed requirement because it may disrupt public fleets' ability to prudently manage their fleets by requiring them to retain ICEVs beyond normal practices or purchase ZEVs that cannot perform the needed duty cycle.

Many public fleet vehicles are replaced at a faster rate than 13 years, particularly those that are high usage or perform critical functions. For example, SMUD's replacement criteria for most fleet vehicles has traditionally been 10 years or 100,000 miles. In recent years, we have accelerated the replacement of some vehicle categories to 5-6 years. When vehicles are retained longer than specified by the replacement criteria, we expect to see a significant drop-off in reliability. This would translate to increased maintenance, labor hours, and need to secure parts. We anticipate it may also require a costly fleet size expansion, as we would need to hold back vehicles to ensure availability for crews if older vehicles break down.

While the 13th model year restriction is not applicable to the ZEV Milestones Option, which SMUD anticipates will be better aligned with our procurement strategy, we nonetheless believe it is critical that other POU's maintain the ability to prudently manage their own fleets. Under emergency circumstances, such as the historic January storms that caused significant damage to SMUD's infrastructure, we relied on significant mutual aid from partner agencies. The availability of other utilities' fleets and crews was a key factor in our ability to complete our restoration efforts as quickly as possible.

Support clarifications to Mutual Aid Assistance exemption, but recommend additional revisions to address practicality of mobile fueling and alternative cap for small fleets.

The proposed 15-Day Language makes several helpful changes to the Mutual Aid Assistance exemption for public fleets and the ZEV Milestone Option. SMUD appreciates the clarifications in section 2013 (n)(5) and 2015(f)(7), respectively, that ICEVs purchased pursuant to granted exemption may operate as part of the regular fleet and are not restricted to mutual aid functions. SMUD does not maintain separate vehicles solely for mutual aid purposes, as this would require a costly expansion of our fleet that would sit idle except during emergencies. The same vehicles and crews that perform routine system operations may be dispatched depending on the specific emergency and nature of aid provided.

SMUD also appreciates the changes to phase in the 75% ZEV fleet threshold that is required to use the proposed exemption, removing the limitation on vehicles with a gross vehicle weight rating of less than or equal to 14,000 lbs., and to clarify that documentation must be obtained from three mobile ZEV fueling providers.

However, SMUD recommends two additional changes that we believe are needed to adequately recognize mutual aid operations. First, we recommend that the exemption consider the practicality of mobile fueling options as well as technical compatibility. Even if mobile fueling is technically compatible, the specific technology may not be practical based on the circumstances of the mutual aid. For example, after Hurricane Maria, SMUD sent crews and vehicles, some of which

were dispatched for three months, to Puerto Rico to assist with extensive restorations. In another example of mutual assistance, a SMUD crew spent two weeks in support of the Light Up Navajo initiative, which built electric lines for projects to connect hundreds of Navajo households that had never had power. For lengthy deployments in distant locations where electrical infrastructure has been severely damaged or simply does not exist, SMUD does not believe that it would be practical to tow container-sized batteries even if the batteries are technologically capable of refueling vehicles.

Second, we believe the proposed cap at 25% of the fleet should be removed or include an alternative for small fleets, as SMUD understands that smaller utilities will have significant challenges with it. While we anticipate having a path to compliance under the ZEV Milestones Option, we have relied on other utility fleets throughout the state, large and small, to support us through mutual assistance during emergencies. It is critical that this exemption is flexible enough to ensure those fleets are available to provide mutual assistance.

SMUD offers the following specific revisions to the 15-Day Language requirements in section 2015 (f)(2) and recommends conforming changes to section 2013.1 (e). If CARB determines it is not possible to make these changes prior to adopting the final ACF regulation, SMUD recommends that CARB clarify their intent in the FSOR to incorporate these changes in a future regulatory update.

Section 2015.3 (f)(2)

Mutual Aid Assistance. Fleet owners may request this exemption if as specified in sections 2015.1 (c)(7) and 2015.2(f)(7) to purchase new ICE vehicles. The total number of new ICE vehicles allowed to be purchased under this exemption must not exceed 25 percent of the total number of vehicles in the fleet owner's California fleet in the calendar year the exemption is approved or 50 vehicles, whichever is greater. The fleet owner must submit the following by email to TRUCRS@arb.ca.gov to apply:

(C) Documentation from three mobile ZEV fueling providers, with mobile fueling options that are compatible with the vehicle's charging or hydrogen fueling connector and system identified in section 2015.3(f)(2)(B) to show the ZEV cannot be refueled from 10 to 80 percent of the ZEV's rated energy capacity within 1 hour or an explanation from the fleet owner stating why a compatible mobile fueling option is not practicable for the mutual aid scenarios to which the fleet owner reasonably expects to respond

Recommend additional changes to Daily Usage exemption to better assess a ZEV's ability to perform a specific duty cycle.

The 15-Day Language includes several revisions to the proposed Daily Usage exemption in section 2013.1 (b) and 2015.3 (b). However, SMUD believes several key issues remain that would prevent the exemption from accurately assessing whether a ZEV replacement can meet the fleet's needs. Specifically:

- The exemption does not consider weight limits or dimension constraints. In some circumstances, these may be greater challenges than range or energy capacity in replacing an ICEV with a ZEV – for example, specific access roads and bridges may not be rated for the additional weight of a ZEV.
- The exemption continues to require the exclusion of the three highest usage values, even for entities with mutual aid agreements. Vehicles responding to emergencies must be able to operate in extreme conditions, not “average.” For example, during restoration efforts after the January storms, SMUD's 85- and 88-foot aerials averaged 6.8 times more fuel usage than the prior twelve-month average.
- The exemption continues to require the submission of ZEV performance data, either through the fleet's own purchase or from data provided by another fleet. SMUD continues to question the burden of requiring fleets to secure a ZEV and demonstrate that it cannot perform the needed duty cycle before qualifying for an exemption.
- The exemption continues to include phaseout thresholds based on the availability of specified rated energy capacities. Until ZEVs with these rated energy capacities are commercially available and demonstrated to meet fleet duty cycles, SMUD recommends against specifying phaseouts.

SMUD recommends the following changes to section 2015.3 (b), with conforming changes to section 2013.1 (b):

Section 2015.3 (b)

Daily Usage Exemption. Fleet owners may request an exemption to purchase a new ICE vehicle of the same configuration as an ICE vehicle being replaced if no new BEV is available to purchase that can meet the demonstrated daily usage needs of any existing vehicle of the same configuration in the fleet ...

The Executive Officer will not approve exemption requests for a vehicle configuration that is available to purchase as: an NZEV; ~~or an FCEV; a Class 2b or 3 BEV with a rated energy capacity of at least 150 kilowatt-hours; a Class 7 or 8 tractor or BEV 3-axle bus with a rated energy capacity of at least 1,000 kilowatt-hours; a Class 4 through 6 BEV with a rated energy capacity of at least 325 kilowatt-hours; or a Class 7 or 8 BEV that is not a tractor or 3-axle bus with~~

~~a rated energy capacity of at least 450 kilowatt-hours~~. The fleet owner must submit the following information by email to TRUCRS@arb.ca.gov to apply:

(1)(A) In lieu of calculating range as specified in section 2015.3(b) (3), fleet owners may instead submit measured BEV energy usage data from BEVs of the same configuration operated on similar daily assignments or calculated energy usage data from ICEVs operated on similar daily assignment in the fleet's service to substantiate their exemption request.

(4) Submit a daily usage report for a period of at least 30 consecutive workdays from within the last 12 months using telemetry data or other data collection system that tracks daily mileage and energy use and hours of vehicle operation if applicable for all ICE vehicles of the same weight class and configuration of the vehicle to be replaced. Fleet owners that have a mutual aid agreement to send vehicles to assist other entities during a declared emergency event may alternatively submit this report from within the last 60 months. The report must include the daily miles traveled and energy used to drive for each ICE vehicle of the same weight class and configuration of the vehicle to be replaced. Identify the lowest mileage or energy use reading for each day ~~and exclude the 3 highest readings~~. For the exemption to be granted, the highest remaining mileage or energy use number must be greater than either the range calculated in 2015.3(b)(3) or the energy use data submitted per section 2015.3(b)(3)(A).

(5) Submit a description of the daily assignments or routes used by existing vehicle configurations with an explanation of why all BEVs available to purchase of the same weight class and configuration cannot be charged or fueled during the workday at the depot, within one mile of the routes, or where ZEV fueling infrastructure is available. The explanation must include a description of why charging could not be managed during driver rest periods or breaks during the workday. The fleet owner may alternatively submit an explanation of why the ZEV is unsuitable for the assignment for reasons other than range or charging, such as due to weight or dimension restrictions.

Recommend revisions to reporting requirements to reduce administrative burden on fleets.

As SMUD recommended in our October 17, 2022 comment letter on the proposed 45-day regulation text, we believe CARB should streamline compliance reporting by eliminating the requirements for fleets to report annually *and* within 30 calendar days of any change to the fleet. Purchases and deliveries may occur multiple times throughout the year and requiring multiple report submissions throughout the year would unnecessarily add to fleets' administrative burden, which will likely already be

high due to the expected need for exemption applications while the ZEV market is still nascent.

We continue to recommend that any mid-year fleet vehicle additions and removals or other mid-year fleet activities be incorporated into the annual compliance reporting that is due on April 1 of each year.

Support NZEV recognition for public fleets.

SMUD appreciates the changes in section 2013 (f) that recognize NZEV purchases as equivalent to ZEVs except when qualifying for certain exemptions, consistent with NZEV recognition for high-priority fleets in section 2015 (e). Regardless of whether the fleet owner is a governmental or private entity, NZEVs have the potential serve as a key bridge technology between ICEVs and ZEVs, particularly early in the market transition before medium- and heavy- duty ZEV range and energy performance is comparable to their internal combustion engine vehicle (ICEV) counterparts.

Support recognition of intermittent snow removal vehicles.

SMUD appreciates the inclusion of a new exemption in section 2013 (n)(6) and section 2015.3 (f)(9) for intermittent snow removal vehicles with snow blower or blade attachments. SMUD uses both permanent and cross-functional snow removal vehicles (e.g., trucks with detachable snowplows) to support our operations at the Upper American River Project in the Sierras, where snow and extreme weather can present significant operational challenges. The inclusion of this new exemption for the public fleet purchase requirement and ZEV Milestones Option appropriately recognizes that many fleet vehicles are multi-functional and may perform other duties outside of snow season.

Support additional time for government fleets to secure replacement purchase orders when an order is cancelled by the manufacturer.

SMUD appreciates the changes to section 2013 (l) and 2015.3 (d)(2), respectively, which allow up to one year for governmental fleet owners to secure replacement purchase orders if a ZEV manufacturer cancels the original order. This additional flexibility appropriately recognizes that the public procurement processes required for governmental entities may take longer than several months to complete.

Conclusion

SMUD continues to strongly support the objectives of the ACF and appreciates many of the changes in the 15-Day Language, including the addition of the ZEV Milestones Option for public fleets. However, we remain concerned that the proposed exemptions include unreasonably high barriers for fleets seeking to comply in good faith. SMUD recommends that CARB revise the 15-Day Language

to include the above changes. Alternatively, we urge CARB to revisit this regulation with additional changes in the future. We look forward to continuing to work with CARB on the implementation of the final ACF rule.

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cc: Corporate Files (LEG 2023-0048)