

April 7, 2023

Comment letter submitted via electronic commenting system

Clerk of the Board California Air Resources Board 1001 I Street Sacramento, CA 95814

RE: Advanced Clean Fleets Draft Regulation – Public Fleet Requirements

The Water Authority and its member agencies appreciate the opportunity to provide comments to the California Air Resources Board (CARB) on the Proposed Advanced Clean Fleets Rule (Proposed Rule), and specifically the public fleet requirements.

The San Diego County Water Authority (Water Authority) is a wholesale water supply agency provider with 24 retail member agencies that provide water to the San Diego region, sustaining a \$268 billion economy and quality of life for 3.3 million residents. As essential public service providers and collective stewards of California resources, we wholeheartedly understand and support efforts to transition to a more sustainable future. However, we must ensure that water

agencies, which operate large existing fleets and operate as first responders, are not restricted from responding to emergencies. And we must ensure that our agencies are able to continue serving and operating within our remotely-located facilities, to provide high-quality and safe drinking water and wastewater treatment operations for the public.

The Water Authority has submitted comment letters to CARB regarding the Advanced Clean Fleets public fleets requirements on October 4, 2021; August 19, 2022; and October 17, 2022. We appreciate that the Proposed Rule includes considerations for some of the challenges water suppliers will face while transitioning fleets to zero-emission vehicles (ZEVs) such as delays for infrastructure construction. However, we still have many concerns regarding important issues that haven't been addressed. Please consider the following recommendations to help ensure the regulation is attainable for water providers while protecting public health and safety and maintaining affordability for water ratepayers.

Section 2013(b) Definitions. "Emergency support vehicle"

The definition of "Emergency support vehicle" in the Proposed Rule limits emergency support vehicles to those that "provide transport services or supplies in connection with an emergency operation." In the water and wastewater utility sectors, emergency support vehicles that are key to mitigating emergency situations also include vehicles providing direct services and/or supplies. The definition of emergency support vehicle should be changed to:

"Emergency support vehicle" means a vehicle other than an authorized emergency vehicle as defined in California Vehicle Code (CVC) section 165 that has been dispatched by a local, state, federal, or other responsible emergency management agency that is used to provide <u>direct services or supplies in connection with an emergency operation.</u>

Section 2013.1(d)(2)(D) ZEV Purchase Exemption Application

The ZEV Purchase Exemption Application should include cost in the criteria that determine if a ZEV or NZEV is available for purchase. Currently, the cost for vocational ZEVs is much higher than comparable internal combustion engine (ICE) vehicles. Ultimately, this additional cost burden will be borne by ratepayers.

We support the recommendation made by the Association of California Water Agencies (ACWA), California Municipal Utilities Association (CMUA), and others to include that a fleet owner can purchase an ICE vehicle when the cost of a comparable ZEV or NZEV exceeds 133% of the purchase price of the ICE vehicle. This will allow utilities to better budget for the transition to ZEV fleets and reduce impacts to water and wastewater rates by requirements for higher-cost vehicles.

Section 2013.1(c)(1) ZEV Infrastructure Construction Delay Extension

The ZEV Infrastructure Construction Delay Extension should allow delay of ZEV purchases. The ZEV Infrastructure Construction Delay Extension language is unclear as it states fleet owners may "request the following extensions for ICE vehicles being replaced at the site experiencing the delay," but it also requires fleet owners to provide an executed ZEV purchase agreement to be eligible for the extension (Section 2013.1(c)(1)(D)). This implies fleet owners are required to purchase vehicles they are unable to use if they do not have the charging or fueling infrastructure in place. Section 2013.1(c)(1)(D) should be removed from the Proposed Rule.

Construction permit requirements should be revised for the first year of implementation. The Proposed Rule requires fleet owners to have a construction permit issued at least one year ahead of the next compliance deadline to be eligible for the ZEV Infrastructure Construction Delay Extension. Considering the Proposed Rule will not be adopted until mid-2023, and compliance begins January 1, 2024, fleet owners will only have about six months to obtain construction permits to be eligible for the infrastructure construction delay extension in the first year. We request that the first two years of the rule implementation do not have the time requirement of one year ahead of the next compliance deadline.

Grid Reliability Concerns

The Water Authority and its member agencies are worried about grid reliability during extreme weather and feel CARB has not addressed the issue enough. In the last year alone, California has experienced power outages and grid vulnerabilities due to heat waves, fires, public safety power shutoffs (PSPS), flooding, and extreme winter weather. Historically, the power interruptions from PSPS can last for several days in the San Diego region. Our duty is to provide a safe and reliable water supply, and to do that we must have a reliable fleet in every weather condition. The Proposed Rule does not currently account for interruptions in electrical service, which we know will continue to be an issue going forward.

In closing, we are concerned that achieving compliance with this Proposed Rule as currently written would challenge water and wastewater treatment agencies' ability to reliably maintain core functions and levels of service for delivering and treating water. Please consider our recommendations above to reduce impacts to water availability and affordability in the final rule.

Thank you for the opportunity to comment on this very important rulemaking.