



October 11, 2022

Craig Segall
Deputy Executive Officer
California Air Resources Board
1001 I Street
Sacramento, CA 95814

RE: League of California Cities Comments on the Draft ACF Public Fleets Regulatory Language

The League of California Cities (Cal Cities) appreciates the opportunity to provide comments on the Advanced Clean Fleets (ACF) draft regulatory language (September 2 iteration) for public fleets as presented at the California Air Resources Board's (CARB) July 26 public workshop.

Cal Cities represents 479 California cities dedicated to protecting and restoring local control to provide for the public health, safety, and welfare of their residents, and enhancing the quality of life for all Californians. Cal Cities supports the state's climate goals and recognizes that climate change is both immediate and long-term, with the potential for profound environmental, social, and economic impacts on the planet and in California.

Cal Cities also supports the reduction of vehicle emissions through increased fuel efficiency, use of appropriate alternative fueled vehicles, and/or low-emission vehicles in public agency fleets. Cal Cities and our members are committed to working with CARB to craft an implementable ACF rule that can both achieve success in California and serve as a model for other states.

Given that zero-emission vehicle (ZEV) availability is critical to the successful implementation of the ACF rule, Cal Cities has focused on these provisions in our comments. Our core recommendations are for CARB to include a robust, transparent framework to assess ZEV commercial availability, as well as a separate exemption process when ZEVs are not accessible to public agencies in practice or are unsuitable for the fleet's operational needs.

We recommend that the final rule include a robust, transparent framework for assessing ZEV availability, including:

- Objective criteria for "commercially available" ZEVs;



- A separate exemption process to address circumstances in which “commercially available” ZEVs cannot meet the needed duty cycle or are not accessible in practice; and
- A list of available, rather than unavailable, ZEVs.

California cities are committed to partner with the state to comply with the proposed ACF goals. However, the current medium- and heavy-duty (MHD) ZEV market is still nascent. While the market will continue to advance in both production capacity and technology innovations, many utility applications are not yet available and may not be for years. Moreover, many local governments have less purchasing power and are subject to two-year budget cycles that the proposed ACF regulations do not recognize or align with. This can make ZEV purchases significantly more expensive.

Establishing robust, objective criteria for the definition of “commercially available” is central to the application of the ZEV purchase requirements. Currently, the term is undefined, which could lead to unclear, inconsistent, or arbitrary interpretations by CARB. Cal Cities urges CARB to adopt clear, objective, and transparent criteria that will be used to subsequently assess the commercial availability of ZEVs and near-zero emission vehicles (NZEVs) for each vehicle configuration in the various weight classes.

The assessment of “commercially available” ZEVs should include all the following criteria:

- The vehicle configuration for a given weight class is available as a model from at least three manufacturers and/or upfitters. This standard will help ensure competitive bidding, which is a necessary element of public procurement processes to safeguard public funds.
- The manufacturers and/or upfitters of each of the three models have at least two years of experience selling vehicles in California. This standard is necessary to ensure that manufacturers and upfitters are established, reliable companies. This is important both for safety purposes and to minimize the long-term risk that public agencies make when purchasing from companies that will need to be able to service the vehicle or honor the warranty for an extended period of time.
- The manufacturers and/or upfitters of each of the three models have placed into service at least 25 copies of the model. This standard is necessary to demonstrate that vehicles are, in fact, in production and capable of being delivered to fleet purchasers — a proxy for availability in the marketplace.
- The MSRP (list price) of the ZEVs does not exceed 33 percent of the price of average internal combustion engine vehicles (ICEVs) for the specific weight class. This standard is necessary to protect public agencies and their



communities from excessive upfront and total ownership costs — which may divert limited local budgets from other important state and local goals — and to provide a predictable standard of measure for cost comparison.

- The proposed regulations should also be modified to ensure that established and reliable manufacturers can adequately produce and service these vehicles for years to come.

CARB estimates that medium- and heavy-duty ZEVs should result in a net savings with respect to the total cost of ownership over the life of the vehicles. This may be true in certain cases, particularly as the market matures. However, the fact remains that the current costs of passenger ZEVs may start at 20 percent above their ICEV counterparts. Whereas medium- and heavy-duty ZEVs routinely cost 400-600 percent more than their ICEV counterparts. Expending taxpayer dollars to meet the proposed deadlines will result in adverse impacts to other critical programs and services.

While many of these vehicles are not commercially available, many cities may continue to plan and budget for infrastructure to support ZEVs. As a result, we recommend that if a city has planned for supporting infrastructure and budgeted for such ZEV purchases, that city should be recognized by CARB and receive an extension for compliance instead of being penalized for vehicles not yet available.

If required to follow the proposed regulation as drafted, the projected infrastructure and fleet costs will add substantial rate increases across multiple public works and utility service departments. In a time of economic uncertainty, rising utility costs, and substantial mandates from multiple regulatory bodies, we request a balanced approach to allow for successful implementation that will not further exacerbate the affordability issues facing many cities and their residents of this state.

Cities across the state are pursuing environmentally sound and robust strategies to decarbonize their communities. Cal Cities seeks to ensure that policy does not overburden our member's communities and add to the mounting regulatory costs of California's rigorous goals. We look forward to continuing to work with CARB staff on striking an appropriate balance to initiate the development of compliant vehicles, while mitigating the costs to the residents and businesses we serve.

Again, thank you for allowing us the opportunity to provide written responses to the proposed Advance Clean Fleets Regulations.

Sincerely,

A handwritten signature in black ink, appearing to be "D. M.", is written over a light gray rectangular background.



Damon Conklin
Legislative Affairs, Lobbyist