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September 15, 2025

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

Subject: Comments on Proposed Amendments to the Advanced Clean Fleets (ACF) Regulation and Low Carbon Fuel Standard (LCFS)

Dear Chair Randolph and Members of the Board:

On behalf of the NAFA Fleet Management Association, the world's largest membership association for individuals who manage fleet and mobility responsibilities, and its members who collectively operate and manage **more than 4.8 million vehicles** traveling over **84 billion miles annually**, thank you for the opportunity to provide comment on the California Air Resources Board's (CARB) proposed amendments to the Advanced Clean Fleets (ACF) and Low Carbon Fuel Standard (LCFS) regulations. NAFA members represent public and private fleets across all sectors, including government, public safety, utilities, delivery, education, and commercial operations, with many operating in California and **directly affected by CARB's regulations and market-shaping policies.**

The Fleet Perspective on ACF Amendments

NAFA strongly supports California's goal of transitioning to cleaner fleet technologies. However, as currently structured, the ACF does not fully account for the realities of vehicle availability, operational requirements, and cost pressures. While some proposed amendments offer helpful clarifications, significant gaps remain. Without additional flexibility and direct financial support, fleets will struggle to meet regulatory deadlines.

Key Concerns:

- **Vehicle Availability:** Local agencies continue to be impacted by supply constraints, with limited access to vehicles in the configurations and weight classes required for ACF

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compliance. Changes to state and federal EV related policies are only exacerbating this challenge.

- **Operational Realities:** The nature of fleet operations, which require vehicles with specific duty cycles, driving ranges and widespread charging infrastructure, further limit the suitability of currently available zero-emission vehicles (ZEVs) for fleet needs.
- **Cost Pressures:** Incremental cost premiums for ZEVs over internal combustion engine (ICE) vehicles, particularly for medium and heavy-duty vehicles, remain significant, often exceeding local budgets. These additional costs applied to public fleets are a direct burden on California taxpayers. Further, the ACF timelines are often at odds with the fixed cycles of public budgeting, further burdening public fleets.
- **Transparency and Advisory Input:** Fleets believe an effective advisory mechanism to ensure regulations reflect on-the-ground realities would significantly improve the implementation of ACF. NAFA continues to recommend the creation of an **Advanced Clean Fleets Appeals Advisory Committee**, consistent with the structure reflected in **SB 496** and related legislative proposals. Such a committee would reduce waiver disputes and provide CARB with real-time operational insight.

Beyond appeals, ACF should be structured so as not to force fleets to engage in premature vehicle retirements and fund impractical purchase mandates. Fleets must not be forced to acquire ZEVs that cannot meet duty cycles or operational requirements, nor should they be penalized for continuing to ICE vehicles that still have useful life remaining. **Expanding exemptions for emergency vehicles, streamlining waiver processes, and ensuring performance-based criteria for compliance are essential to safeguard critical services and avoid stranded assets. These criteria must explicitly account for range, duty cycle, and geographic limitations so that fleets are not compelled to procure vehicles that cannot reliably perform required daily operations.**

NAFA recognizes that recent federal developments have added complexity to California's fleet transition landscape.

Recent federal waiver rescissions have further complicated the regulatory environment. The lack of regulatory enforcement on commercial and drayage fleets has nearly eliminated the ACF's ability to push and influence market demand as originally designed. Similarly, striking down the Advanced Clean Cars and Trucks regulations has significantly removed a driver for the production of ZEVs. This has left ACF requirements on local agencies as the last remaining market driver, resulting in substantially lower ZEV demand that is insufficient to motivate the production of and thus availability of ZEV configurations and weight classifications needed for compliance. **The ACF now applies exclusively to state and local government fleets,** placing the full weight of compliance on agencies with the least budget flexibility.

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These federal developments limit the ACF's effectiveness as a market signal. At the same time, the regulation imposes costs that local agencies cannot absorb alone.

CARB has an opportunity to align its regulatory design with the State's constitutional reimbursement obligations and ensure successful compliance by local agencies. Ensuring adequate funding for fleets to purchase the necessary vehicles is essential for CARB to achieve its technology-forcing regulatory objectives and meet State Implementation Plan commitments. Without cost coverage, fleets simply cannot comply within their constrained budgets, and the Board's clean air goals will be delayed.

To remain compliant with State law, CARB should direct funding incentives specifically to local agencies directly affected by this regulation. Incentives should cover a **substantial proportion of the incremental cost premium** of a ZEV compared to its ICE counterpart, and in cases where compliance would otherwise be infeasible, CARB should authorize incentives to cover **up to 100 percent** of this cost premium. This ensures that compliance is both legally and financially achievable and is consistent with CARB's responsibility to provide relief for mandated requirements under **Article XIII B, Section 6 of the California Constitution**. This approach builds on CARB's history of using implementation tools such as the **Hybrid and Zero-Emission Truck and Bus Voucher Incentive Project (HVIP)** and the **Carl Moyer Program** to successfully accelerate technology adoption.

Such transparency measures as a **public vehicle availability dashboard** will improve regulatory credibility and give CARB real-time insight into market readiness, reducing waiver disputes and compliance delays. This type of tool would mirror CARB's past use of **LCFS credit reporting** to ensure program integrity.

Each of these measures—funding coverage, transparency tools, expanded exemptions, stranded asset protections, performance-based waiver criteria, and advisory processes—can be implemented within CARB's existing structure, requiring no statutory change but yielding major compliance benefits.

Recommendations for ACF Implementation:

1. **Extend AB 1594-style flexibility** to all local governments — including cities, counties, and special districts.
2. **Providesignificant funding coverage** of the ZEV cost premium, consistent with Article XIII B, Section 6.

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3. **Publish a public vehicle-availability dashboard** to track real-time market readiness.
4. **Establish an Advanced Clean Fleets Appeals Advisory Committee** (SB 496 model) to reduce disputes and provide operational insight.
5. **Align procurement timelines** by recognizing local budget cycles and sequencing requirements.
6. **Expand emergency vehicle exemptions** to cover a broader range of mission-critical assets, and streamline the approval process.
7. **Protect against stranded assets** by allowing fleets to complete the useful life of compliant ICE vehicles where no ZEV equivalent exists.
8. **Establish performance-based waiver criteria** to ensure fleets are not compelled to purchase ZEVs that cannot meet operational duty cycles, geographic conditions, or weight/class needs.

The Fleet Perspective on LCFS Amendments

NAFA also appreciates the opportunity to comment on the proposed amendments to the LCFS. Fleets play a critical role in advancing LCFS objectives, but practical implementation issues must be addressed to ensure program success.

Key Concerns:

- **Credit Market Stability:** Fleets require predictable LCFS credit values to plan long-term investments in fueling infrastructure.
- **Program Transparency:** Improved reporting and clearer guidance on credit generation and eligibility are essential for compliance planning.
- **Technology-Neutral Pathways:** Fleets need flexibility to pursue the most cost-effective decarbonization strategies, whether through renewable diesel, renewable natural gas, hydrogen, electrification or other low emissions technologies.

Recommendations for LCFS Implementation:

1. **Establish clear, consistent guidance** for LCFS credit eligibility and reporting.

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2. **Enhance transparency and predictability** in credit markets.
3. **Support technology-neutral approaches** to decarbonization, ensuring that **hydrogen refueling support complements rather than crowds out investment in renewable diesel, RNG, and electrification pathways.**
4. **Provide targeted technical assistance** to fleets adopting LCFS-compliant fuels.

Conclusion

Fleet managers are at the center of California's clean transportation transition. But regulatory frameworks must align with operational and financial realities. NAFA urges CARB to adopt amendments that reflect the challenges fleets face, ensure adequate funding support, and maintain flexibility in compliance pathways.

This regulation, absent adequate enforcement flexibility and funding, risks functioning as an **unfunded mandate.** CARB must ensure that incentives directly support the fleets and agencies most impacted, including covering the up to the **full cost premium of ZEVs over ICE vehicles.** By aligning the ACF and LCFS with real-world fleet realities and providing adequate support, California can achieve its decarbonization objectives while safeguarding essential public and private fleet services.

Directing incentives to local agencies will also ensure that **underserved and disadvantaged communities—those who rely most on public fleets—receive the full benefit of CARB's programs.**

These recommendations are consistent with input from **coalition partners representing cities, counties, utilities, and commercial operators,** reinforcing the need for CARB to provide both flexibility and funding support. Acting on these recommendations will demonstrate CARB's responsiveness to diverse stakeholders.

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NAFA appreciates the opportunity to provide these comments and stands ready to continue working with CARB, coalition partners, and stakeholders to achieve a practical and effective path forward.

Respectfully submitted,

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