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

RE: Comments on 45-Day Proposed Advanced Clean Fleets Language

The Southern California Public Power Authority,[1] Northern California Power Agency,[2] and California Municipal Utilities Association[3] (Collectively, the "Joint Public Agencies") appreciate the opportunity to provide comments on the July 29, 2025, 45-day regulatory package ("45-day Changes") of the California Air Resources Board's (CARB) Advanced Clean Fleets (ACF) rule ("proposed rule").

Our organizations collectively represent the majority of the state's publicly owned electric and gas utilities (POUs), as well as many of the state's public water and wastewater agencies, each of which is governed by a board of local officials and is accountable to the communities they serve. This rulemaking is especially impactful to public agency utilities as it focuses primarily on changes to the State and Local Government Agency Fleet requirements with which they are required to comply. As we have noted in previous filings, the objective of the Joint Public Agencies in providing comments on the proposed rule is to ensure that the regulation can be successfully implemented. Our members are focused on providing reliable, affordable, and sustainable utility services to their customers, and each of these foundational elements is important to consider when CARB is developing and amending the ACF regulation. Throughout these comments, we are offering suggestions and recommendations to

[1] SCPPA is a joint powers authority whose members include the cities of Anaheim, Azusa, Banning, Burbank, Cerritos, Colton, Glendale, Los Angeles, Pasadena, Riverside, and Vernon, and the Imperial Irrigation District. SCPPA Members are local publicly owned electric utilities that serve nearly 2.3 million California homes and businesses over 9,000 square miles.

[2] The Northern California Power Agency (NCPA) is a nonprofit California joint powers agency established in 1968 to construct and operate renewable and low-emitting generating facilities and assist in meeting the wholesale energy needs of its 16 members: the Cities of Alameda, Biggs, Gridley, Healdsburg, Lodi, Lompoc, Palo Alto, Redding, Roseville, Santa Clara, Shasta Lake, and Ukiah, Plumas-Sierra Rural Electric Cooperative, Port of Oakland, San Francisco Bay Area Rapid Transit (BART), and Truckee Donner Public Utility District—collectively serving nearly 700,000 electric consumers in Central and Northern California.

[3] The California Municipal Utilities Association is a statewide organization of local public agencies in California that provide electricity, gas, water, and wastewater service to California consumers. CMUA membership includes publicly owned electric utilities that operate electric distribution and transmission systems that provide approximately 25 percent of the electric load in California and water and wastewater agencies that serve approximately 75 percent of California water customers.

ensure protection for all three of these critical areas. The Joint Public Agencies are committed to transitioning utility fleets to Zero Emission Vehicles (ZEV) where technologically and economically feasible. In order to do so, it is imperative that this regulation be implemented in a manner that does not compromise emergency response or the safety and reliability of essential utility services to California's residents and businesses.

I. Introduction

The Joint Public Agencies appreciate CARB staff's engagement with our members over the past several months to better understand the needs of public agency utility fleets, as well as the diverse characteristics of utility specialized vehicles. Through meetings, site visits, and ongoing discussions, we hope that CARB staff has gained valuable insights into the unique operational circumstances of POU and public water agency fleets. These conversations have been constructive, and we thank staff for the time invested.

However, the proposed 45-day Changes do not address the core challenges that our agencies face in implementing the ACF, which we have raised in prior comment letters and workshops. The Joint Public Agencies believe that without additional modifications, there remain significant barriers to the successful implementation of the ACF by public agency utility fleets. More importantly, as drafted, the proposed rule could compromise the ability of POUs and water agencies to maintain and operate a safe, reliable electrical grid and provide access to clean water.

The Joint Public Agencies offer recommendations outlined below to address the concerns of the public agency utilities. We continue to be open to developing alternative solutions to these concerns through a collaborative partnership with CARB.

II. Outstanding Critical Issues:

The Joint Public Agencies strongly encourage CARB to revise and simplify key exemptions to ensure they address the practical and operational challenges faced by our members. This includes simplifying processes to reduce administrative work and provide greater certainty, enabling fleets and vehicle purchases to be more effectively planned and managed.

The Joint Public Agencies believe that the following outstanding critical issues must be addressed through further revisions to the rule.

- Mutual Aid and Emergency Response Exemption
- ZEV Purchase Exemption
- Daily Usage Exemption

As explained in detail below, the Joint Public Agencies request that the Board direct staff to draft 15-day Changes to address these critical issues via additional amendments to the Regulation to ensure the proposed rule is workable, and can be successfully implemented by public agency utility fleets without compromising the safe and reliable provision of essential utility services.

A. Mutual Aid and Emergency Response Exemption

It is imperative that the ACF operate in concert with the public agency utilities' obligation to provide essential electric and water services. In addition to the ongoing provision of services to their own customers, public agency utilities play an essential role in responding to emergency situations and service outages, and requests for mutual aid assistance. While we appreciate the inclusion of a mutual aid exemption in the regulation, the proposed regulatory criteria prevent public agency utilities from utilizing the exemption process to procure necessary emergency response vehicles.

To simplify and ensure workability of the process, the Joint Public Agencies recommend the following amendments to section 2013.2(e):

The Regulation Should Recognize Both Emergency Response and Mutual Aid Needs

The Mutual Aid exemption should be renamed to clarify that qualifying vehicles may be used for both mutual aid and for local emergency response purposes. Public agency utility fleets must be able to repair or replace critical electricity or water infrastructure during and after natural disasters, extreme weather, and other emergency events, in addition to the deployment of vehicles for mutual aid assistance.

ZEV Threshold Should be Removed

The escalating ZEV threshold requirements, beginning with 25% and ramping up to 75%, create an unreasonable barrier to accessing the Mutual Aid exemption. Fleets may be unable to meet the initial 25% threshold for a myriad of unrelated reasons, such as vehicles not being available for purchase as ZEV, asset retirement schedules, procurement/supply delays, or the fact that some fleets are not subject to compliance obligations until 2027. By making emergency response vehicle procurement decisions dependent on unrelated procurement limitations, the current regulation endangers fleet emergency response availability.

Provide an Option for Upfront Designation

CARB should provide additional flexibility and certainty for public agency utilities seeking to designate Mutual Aid/Emergency Response vehicles through the provisions of Section 2013.2(e). Rather than requiring a vehicle-by-vehicle decision dependent on procurement timing, CARB should amend the regulation to allow public agency utility fleets with mutual aid agreements to designate vehicles at any time. Allowing the option of an upfront designation assists fleets with procurement planning and provides certainty that emergency response vehicles can be replaced quickly without a lengthy application process.

Emergency Response Fleet Proportions

The proportion of a fleet and vehicle characteristics that is needed by a public agency utility to respond to emergencies can vary widely depending on the type of utility services provided, the size of the fleet, the size and terrain of the service territory, and specific operational needs. In some instances, third-party agencies, such as OES or CalFire, may assume direct control of some fleet vehicles during emergencies. Imposing an arbitrary restriction on fleet composition for purposes of responding to emergency situations does not reflect the needs of specific POUs and public water and wastewater agencies to procure the equipment needed to respond to all emergency conditions.

To simplify the implementation of the exemption, CARB should add a process for the current 25% cap to be adjusted if any of the following criteria are met:

- Fleet size is fewer than 100 vehicles.
- Certain metrics are met that address service territory or infrastructure operations across large areas requiring considerable fleet vehicle travel between locations.
- Service territories or owned facilities are located within a Tier 2 or Tier 3 High Wildfire Threat District, as designated by the California Public Utilities Commission, or within a Fire Hazard Severity Zone (FHSZ) as designated by CalFire.

Additionally, vehicles purchased pursuant to the ZEV Purchase or Daily Usage exemption should not count against the 25 percent limit, as those vehicles will not necessarily be the same as vehicles needed for mutual aid and emergency response, and would thereby arbitrarily reduce the number of vehicles covered by the Mutual Aid exemption.

Mobile Fueling

Mobile fueling requirements, as currently drafted, compromise the ability of public agency utility fleets to respond effectively to emergencies. When disasters occur, utility fleets may be dispatched to repair vital infrastructure at a moment's notice. Quick, reliable, and replenishable fueling options are a critical necessity. The development of suitable mobile EV charging options for utility fleets is in the nascent stages. These mobile charging options are still in development and unproven, and utility vehicles providing emergency response functions cannot risk testing new technology in the field or introducing complicated logistical barriers when refueling. For example, utility crews assisting with wildfire responses must have certainty that their vehicles will be able to operate reliably and without refueling issues; vehicles are dispatched for extended periods of time and often required to respond to incidents in multiple locations. Moreover, mutual aid emergencies may require utilities to dispatch crews to areas where it would be logistically challenging or impossible to insert additional vehicles or equipment to support mobile fueling.

To qualify for the mutual aid assistance exemption, the regulation requires fleets to gather documentation from three mobile ZEV fueling providers, without any consideration of whether mobile fueling can actually be deployed in the field, meets all technical compatibility specifications, can meet the fleet's refueling needs, or whether the public agency has the necessary budget to buy a mobile fueling unit at any cost. Any commercially available mobile fueling option must be able to reach the site of the emergency without hindering the operational capabilities of the emergency response vehicles that have been dispatched. Theoretical availability of mobile fueling sources is not sufficient to meet the needs of public agency utility fleets. Public agency utility fleets must be able to ensure that all the equipment and additional vehicles necessary for the mobile fueling option can be dispatched to remote job sites, under extreme weather conditions, and refuel the ZEV for multiple days. Using mobile fueling could significantly increase the number of vehicles required to support emergency operations in situations where time is limited, conditions are unstable, and resources are constrained.

The Joint Public Agencies recommend that CARB remove the requirements for mobile fuel documentation as a requirement for the Mutual Aid and Emergency Response exemption. In the alternative, the Joint Public Agencies recommend that CARB delay implementation of any mobile fueling requirements until 2035, to allow for additional technology development and in-field testing. After 2035, CARB should reevaluate the mobile fueling and ZEV markets and assess whether any consideration of mobile fueling should be incorporated into the Mutual Aid exemption.

If CARB does not remove the mobile fueling requirement, the regulation should include additional considerations to ensure that mobile fueling can successfully be deployed in the field. For example, only mobile fueling units meeting safety standards should be considered within the exemption application, and consideration must be given to the physical conditions the vehicles will be operating in, including situations where space is limited, and the ability of the mobile sources to reach remote locations.

B. ZEV Purchase Exemption

For the ZEV Purchase exemption to be workable, CARB should ensure that both the exemption criteria and application process include consideration of core vehicle specifications. Public agency utilities must be able to purchase vehicles that can completely and reliably meet the fleet's essential functions and duty cycles. To maintain and operate the grid, and to provide safe and reliable water and wastewater service, POUs and public water and wastewater agencies rely on diverse vehicles with specific duty cycles and operational requirements. Many utility vehicles perform specialized functions, such as powering auxiliary equipment like aerial lifts, cranes, augers, or vacuum pumps, which may have their own unique specifications. The ZEV Purchase exemption must accommodate such specifications, which can be achieved through clear regulatory criteria and processes.

In addition, as public agency utilities, we need confidence that the vehicles we purchase are adequately field-tested and from reputable manufacturers. Manufacturers and upfitters must be able to demonstrate that the vehicles will not present operational limitations or safety concerns. To address this need, the regulation can incorporate a verification requirement obligating manufacturers to complete necessary vehicle testing and make this information available to fleets.

To clarify and improve the criteria for the ZEV Purchase exemption for specific fleet purchases, the Joint Public Agencies offer the following recommended additions:

1. Core specifications. The current structure of the ZEV Purchase exemption addresses situations where "a needed configuration is not available to purchase as a ZEV or NZEV." However, the definition of configuration is limited to the "primary intended function" of the vehicle, and at a high level (e.g., bucket truck). In fact, the definition of configuration specifically excludes auxiliary equipment, without which the purchased vehicle would likely be unable to perform its primary or secondary intended functions. In many cases, the auxiliary equipment is essential to the functionality of the vehicle. In addition to auxiliary equipment, public agency utilities must ensure that vehicles have the necessary payload and towing capacity to be able to carry necessary equipment

and tools on or with the vehicle. Also, utility vehicles are often required to operate in remote or difficult-to-access areas, where off-road capabilities are essential. These specifications are not optional; these capabilities are necessary and essential attributes to ensure the vehicles can perform their intended functions.

As part of the exemption, fleets can provide documentation of core specifications, either as part of a bid or other purchasing mechanism. Alternatively, if formal bid documentation is not practical, fleets should be able to submit an attestation explaining the purpose and necessity of each core specification.

2. Weight/Dimension Constraints. An "available" ZEV must also meet the specific weight or dimension constraints under which the vehicle must operate. This is necessary for public fleet vehicles that must navigate roads, alleys, and bridges that have strict weight limits, steep grades, and/or limited space for vehicles to enter and turn. Public agency utilities can provide documentation for any such limitations within their service territory.

3. Warranty Support. Warranties are a vital component of a vehicle purchase, and public agency utilities commonly include a specification for warranty support and parts distribution to be provided within a minimum range of the vehicle's point of delivery. The Joint Public Agencies recommend that ZEVs be considered unavailable unless they can meet this specification, so that fleet owners have assurance that any vehicle repairs can be made without having to drive or tow a vehicle an unreasonable distance from the fleet's service territory. Manufacturers typically provide a service center address to the purchasing fleet to meet the fleet's vehicle specifications for minimum distance to a service center.

4. Reasonable Delivery Timeframe. Availability must also account for delivery timelines. Manufacturers must be able to demonstrate that they can deliver on the promised vehicles within a reasonable period. ZEVs should be considered unavailable if the public agency receives responsive bids for ZEVs, but the delivery time for the ZEV exceeds that of responsive ICE vehicle bids by six months or more. This condition is necessary to ensure that "available" ZEVs are, in practice, accessible to the public agency utility and to minimize adverse impacts on fleet operations.

   It is both reasonable and common for fleets to wait for vehicles to be built and delivered, but a multi-year delay could significantly hinder fleet operations, and in turn compromise the safety and reliability of essential electricity and water services. The current regulatory language sets availability criteria based on model years; however, the model year does not guarantee the availability or timely delivery of a vehicle. Even if a vehicle is available in the next model year, there are no protections if upfitting a vehicle takes significant additional time.

   The Joint Public Agencies recommend that, beyond the existing 18-month model year criteria, CARB set an additional criterion that deliveries beyond 18 months be compared to a comparable ICE vehicle, and any delay beyond 6 months qualifies that vehicle as unavailable.

5. Responsive Bids. Beyond whether vehicles are technically "for sale" in the market, the exemption should also address situations in which manufacturers are non-responsive or do not meet the necessary core specifications. Public agency utilities may be required to undertake competitive bidding for a purchase, an important element of public procurement processes designed to safeguard public funds.

ZEV Purchase Exemption List

While the Joint Public Agencies appreciate the inclusion of the ZEV Purchase Exemption List to provide a streamlined exemption process for vehicle configurations that are not available to purchase, the list will only be effective if fleet owners can be assured that CARB verifies that manufacturers are field-testing vehicles, providing warranty support, and are financially solvent.

The Joint Public Agencies recommend that CARB include ZEV configurations as unavailable if they meet any of the following criteria:

1. The complete vehicle configuration is not offered by at least two manufacturers or final vehicle upfitters that have placed at least 25 units into service.
2. Manufacturers have not published sufficient technical information for fleets to determine whether the vehicle meets their operational specifications, including range at full payload, range at full towing capacity, compatibility with auxiliary equipment, and duty cycle.
3. For vehicles upfit with a body, ZEV configurations that have not completed vehicle testing requirements, including a weight distribution study and gradeability tests.
4. ZEV configurations for which the manufacturer or, if applicable, the final upfitter, does not offer warranty support and parts distribution through a service center located within California.
5. ZEV configurations sold by a manufacturer that is currently in bankruptcy.

C. Daily Usage Exemption

The Daily Usage Exemption is an important component of the ACF, as it acknowledges that the demands of certain duty cycles may not be met by the ZEVs available at the time of purchase. However, the exemption in its current form is overly cumbersome to implement, and the data collection and testing required are unreasonable and severely restrict access to the exemption. CARB should amend the Daily Usage exemption to remove barriers to access and simplify the data and calculations required.

Highest Usage

While the 45-day amendments do allow public agency utilities to include the three highest values when calculating daily usage, the Daily Usage Exemption still calculates the fleet's usage needs by focusing on the lowest usage value each day. This approach could potentially force fleets to purchase vehicles that are not properly equipped to meet the full duty cycle and respond to emergencies, creating significant safety concerns. Furthermore, the calculation does not align with the requirement in AB 1594 that the daily usage calculation "not exclusively rely on the lowest mileage data reading…." CARB should amend the Daily Usage Exemption

to allow public agency utilities to rely on comprehensive and complete usage data when calculating their usage needs, and allow fleets to plan for their highest usage needs.

Data Comparisons Should Focus on Equivalent Duty Cycles

To ensure that the Daily Usage Exemption accounts for the specific duty cycle needed for a vehicle purchase, CARB should amend the regulation to allow fleets to limit data comparisons to those vehicles performing the same duty cycle. Specialized vehicles are often custom-built to meet the specific needs of their assignments and location, and cannot be easily swapped throughout the fleet, even within the same class and configuration.

CARB Should Allow Fuel Equivalency Calculations

The Daily Usage Exemption should not require the testing of an equivalent BEV to calculate energy usage, but instead allow for a standardized conversion of fuel consumption to rated energy capacity. Not all specialty vehicles utilized by the utilities have BEV alternatives that are readily available or in operation, which severely impacts the ability to collect the required BEV data. Furthermore, even those vehicles that are in operation may not necessarily be operating in the same terrain or climate as the utility seeking the data, which renders the comparative data unsuitable. And even if BEV data is potentially available from other utilities, it's unknown whether that data will be offered, provided, or actually be equivalent.

The concept of requiring the testing of a BEV is fundamentally flawed. For example, what if the BEV cannot complete the duty cycle, and equivalent data cannot be collected? What if the BEV does not actually have the payload, towing capacity, or equipment to perform the duty cycle? Furthermore, we cannot recreate emergency deployment situations (e.g. wildfire, blizzards, windstorms – many of which are increasingly unprecedented) for testing vehicles in high usage and challenging conditions.

Rather than imposing an impossible vehicle testing requirement, the Joint Public Agencies strongly recommend that CARB allow the calculation of fuel equivalency to capture stationary work usage. Expecting public agency utilities to complete a burdensome exemption process, which requires collecting unavailable data and testing unattainable vehicles, is untenable. Using a kWh conversion of fuel consumption to rated energy capacity is a simple approach that will provide a better estimate for daily usage calculations.

Remove Upfront ZEV Requirements

The Joint Public Agencies recommend that CARB remove the requirement for at least 10 percent of the fleet to be comprised of ZEVs or NZEVs for the Daily Usage Exemption. The composition of the fleet has no bearing on whether a ZEV is currently available that meets the fleet's daily usage needs. The effect of the requirement is to potentially force public agency utilities to purchase a vehicle that does not meet daily usage needs, simply because the fleet has not been able to locate and purchase ZEVs to meet the fleet's needs. The 10 percent barrier is especially burdensome for fleets with higher percentages of specialty vehicles and fleets in low-population counties.

Remove Vehicle Exclusions from the Daily Usage Exemption

The Joint Public Agencies recommend that CARB remove arbitrary exclusions for specific vehicle body types and energy capacities. The vital importance of the Daily Usage Exemption is to address use cases that are not currently addressed by the market, which may include duty cycles that aren't used by most fleets. If those vehicles and rated energy capacities do meet usage needs, then the exemption won't be needed; however, the ACF exemptions must be structured to account for unique and unforeseen situations.

III. Further concerns to be addressed:

In addition to the outstanding critical issues listed above, the Joint Public Agencies request that CARB address these further concerns to improve implementation.

- Delay the 100% Purchase Requirement
- Account for Fleet Expansions
- Update Definitions
- Consider all Non-Recoverable Vehicles
- Add Flexibility between Purchase vs. ZEV Milestone Options
- Consider Affordability

A. Delay the 100% Purchase Requirement

Since the first ACF rulemaking, the Joint Public Agencies have expressed concerns with the accelerated timeline for the 100% ZEV purchase requirement.[4] Since the ACF was first adopted, several factors have significantly changed the overall applicability of the rule, which exacerbate previous concerns about the timeline for successful implementation of fleet EV transition. In light of the changes, the Joint Public Agencies strongly urge CARB to consider deferring the 100% ZEV purchase requirement for public fleets until 2030. Given persistent supply chain challenges and the need for further development of medium- and heavy-duty ZEV truck technology, such a deferral is necessary to ensure that fleets can access necessary vehicles, make cost-effective investments, and evaluate how the market matures. This adjustment would ensure a smoother, more practical transition while maintaining alignment with the state's long-term clean transportation goals.

B. Account for Fleet Expansions

To ensure reliable service and rapid emergency response, the proposed rule must support public agency utilities expanding their fleets as operational needs evolve. The Joint Public Agencies request that the proposed rule explicitly support the addition of vehicles to accommodate growing service areas, infrastructure demands, and unforeseen emergencies. Restrictions on fleet expansions could hinder public agency utilities' ability to maintain essential services and protect public safety. Flexibility in fleet management is not just practical, but also critical to supporting the dynamic nature of utility operations. The Joint Public Agencies recommend edits expanding eligibility to

[4] CMUA, Southern California Public Power Authority, Northern California Power Agency, Golden State Power Cooperative, *Comments on the Advanced Clean Fleets Regulation*, submitted to the California Air Resources Board, June 16, 2022, Page 17, available at: https://www.arb.ca.gov/lists/com-attach/314-acf2022-AmhQOVM7V2oFd1IN.pdf

new purchases – and not just replacement vehicles – throughout the regulation, including the ZEV Purchase and Daily Usage exemptions.

C. Update Definitions

a. Traditional utility-specialized vehicle

The definition of a "traditional utility-specialized vehicle" is critical to applying eligibility to accommodations from AB 1594 to public agency utility fleets, including the "Early Access" provision. The definition must reflect the operational needs for public agency utility fleets and cover vehicles that are used to support emergency responders. These vehicles are built specifically to support public agency utility services, and typically include specifications such as PTO, 4- or 6-wheel drive, and a minimum towing capability.

The Joint Public Agencies recommend that the definition for traditional utility specialized vehicles be updated to rely solely on the criteria as listed in (A)-(D) to properly identify those vehicles that are being operated to maintain reliable public utility services.

Furthermore, AB 1594 and CARB define a "public agency utility" to mean a local publicly owned electric, water, or wastewater utility, but some of these agencies also provide gas services, which are not referenced in CARB's proposed definition for "traditional utility-specialized vehicle". To ensure that all vehicles operated by a public agency utility that may be called on for disaster response are captured by the definition of "traditional utility-specialized vehicle", consistent with the disaster preparedness goals of AB 1594, the definition should be expanded to include those vehicles that provide gas services (for example, by referencing section 328.1 of the Public Utilities Code).

b. Fleet owner

Public agency utilities regularly utilize vehicle rental agreements that typically span 3-5 years, a practice driven by extended timelines required for public procurement processes, including budgeting, governmental approvals, and contract negotiations. These processes often take many months to complete, making short-term (1 year or less) rental agreements impractical. It is therefore important that the final rule appropriately recognizes this operational reality by allowing the rental entity to be presumed the owner unless the agreement explicitly assigns compliance responsibility to the operator for rentals of one year or longer. Altering this definition could inadvertently disrupt established practices and hinder public agency utilities' ability to maintain fleet continuity and compliance.

c. Near-zero emissions vehicle ("NZEVs")

In support of California's overarching goal to reduce emissions, the Joint Public Agencies urge CARB to update the definition of a Near-Zero Emission Vehicle (NZEV) to better align with the Advanced Clean Trucks rule. Specifically, this should include(A) on-road plug-in hybrid electric vehicles as defined in 40 CFR

section 86.1803-01, amended July 1, 2022, that achieve all-electric range as defined in section 2013(a); and (B) on-road hybrid electric vehicles capable of charging from an off-vehicle electric source and achieving all-electric range per section 2013(a).

Additionally, we recommend including vehicles equipped with electric Power Take-Off (ePTO) systems that perform stationary work without engaging the diesel engine, as significant emission reductions can be realized by equipping vehicles that primarily do stationary work with ePTO systems. We also support expansion of the NZEV definition to incorporate alternative fuels with low carbon intensities. Expanding the NZEV definition in this way would provide a meaningful alternate compliance pathway for public fleets while still advancing the state's emissions reduction goals. Notably, this recommendation is essential to protecting Californians' access to affordable utility services, since an expanded NZEV definition would enable agencies to leverage more available and affordable vehicles while manufacturers ramp up fully electrified offerings, greatly reducing capital expenditures and the need to raise rates on consumers.

d. Definitions of Drive Systems

To ensure clarity and consistency in the implementation of the proposed rule, the Joint Public Agencies recommend that CARB consider the definitions for 4-wheel, 6-wheel, and all-wheel drive systems as outlined in the Society of Automotive Engineers (SAE) Standard J1952. This standard provides comprehensive and technically accurate descriptions of various drivetrain systems and the components involved. By aligning with SAE J1952, CARB can promote uniform understanding across manufacturers, fleet operators, and enforcement agencies, thereby reducing potential confusion during implementation.

D. Consider all Non-Recoverable Vehicles

The Joint Public Agencies recommend that CARB revise the current exemption for "non-repairable vehicles" to instead apply to "non-recoverable vehicles". This change would allow public agencies to replace vehicles that have been stolen, not just those that have been physically damaged beyond repair.

Additionally, replacement vehicles should not be limited to used vehicles. Given that many public agency utility vehicles are specialized, there may not be a suitable supply of used specialty vehicles available. Furthermore, public agencies utilities must retain the flexibility to procure new vehicles when it is the most financially responsible and operationally viable option and not be limited by the availability of used vehicles in the market. The typical procurement process for public agency utilities involves an 18-month timeline to establish a new contract, with vehicle delivery often taking up to two years. Therefore, the exemption language should not be overly prescriptive and limiting for standard purchasing procedures.

Finally, it is also important to note that public agency utilities generally do not purchase replacement vehicles until their exemption request has been approved. This underscores the need for streamlined and simplified processes. Any documentation requirements, such as photos of the replacement vehicle, should be allowed to be submitted after delivery to ensure compliance instead of being part of the exemption application process.

E. Add Flexibility between Purchase vs. ZEV Milestone Options

The Joint Public Agencies recommend adding flexibility in the proposed rule by allowing fleets to switch between the ZEV Milestones Option and the ZEV Purchase Schedule, provided the fleet is compliant with their chosen option in the prior calendar year and will meet the requirements of the new option in the current year. This added flexibility would acknowledge the operational realities faced by fleets.

F. Consider Affordability

Ratepayer affordability is a top priority for the Joint Public Agencies' members as they provide reliable and sustainable utility service every day to their customers. The Joint Public Agencies remain optimistic that, as the ZEV market matures over time, prices will decline, and in the future, public agency utilities will be able to realize the total cost of ownership benefits that CARB projects. However, the recent elimination of federal incentives, coupled with uncertainty of tariffs and several of California's ZEV programs, will likely impact production of ZEV utility trucks. In light of these changes, it is critical for CARB to provide a path for public agency utilities to seek relief on the grounds of affordability impacts in order to protect utility customers. As local governments, POUs, and public water agencies have limited options to cover budget gaps – raising rates, cutting spending for other priorities, or both – all of which negatively impact our members' customers. This is universally true regardless of the size of the utility, but it is particularly concerning for small organizations without a large rate base.

As CARB considers how to move forward with changes to the proposed rule, we encourage staff to review opportunities that could effectively address ratepayer affordability concerns. The Joint Public Agencies are open to discussing ideas with staff, but at this time, suggest two possible alternatives for getting to the heart of affordability impacts. The first is ratepayer protection consistent with the approach taken in other regulations applicable to public agencies, including the California Energy Commission's Renewables Portfolio Standard and CARB's own Innovative Clean Transit regulation, which recognize the unique circumstances that individual public agencies face. Under this framework, each public agency utility's local governing board would adopt a plan for MHD vehicle purchases that prioritizes ZEV purchases with cost limitation safeguards that would protect ratepayers if there is a clear affordability risk. In establishing the cost limitation safeguards, the governing board would consider customer impacts based on factors such as market pricing for ICE, ZEV, and NZEVs, the expected total cost of ownership, retirement timelines, the fleet's replacement criteria, and planned vehicle purchases during the budget cycle.

We recognize that CARB staff have expressed interest in simplifying an already complex ACF rule. To this end, a second ratepayer affordability option could be to establish some type of reasonable cost ceiling for ZEVs as compared to ICE vehicles as part of the ZEV purchase exemption and consistent with that process. This type of approach would be administratively simple and predictable as it would apply equally to all public agency utilities. The Joint Public Agencies stand ready to discuss and work with staff on the specifics of these ideas and this aspect of the regulation.

IV. Procedural requests (about 15-day language changes post-adoption)

The success of the ACF rule is important to meeting the state's GHG targets and ZEV goals. If the rule is not successful, the implications are far-reaching. They include jeopardizing utilities' ability to provide safe and reliable electricity and water services, respond to emergencies, and maintain operations, but also risk sending the wrong signal to the markets needed to develop these specialized vehicles. While the Joint Public Agencies appreciate the progress reflected in the 45-day Changes, we must emphasize that those changes do not sufficiently address the unique operational needs of Public Agency Utilities, and risk compromising emergency response and grid maintenance. As such, the additional revisions discussed herein are necessary to make the final rule workable. We strongly encourage CARB to provide at least one round of 15-day Changes and to remain open to additional iterations if warranted.

The Joint Public Agencies appreciate the ongoing collaboration with CARB's ACF team through regular meetings and respectfully request to be closely and actively involved in the process throughout the potential 15-day Changes. This continued partnership is essential to ensure the final rule is both effective and implementable, allowing us to meet our shared clean energy and climate goals.

VI. Conclusion.

The Joint Public Agencies appreciate the opportunity to provide comments on the 45-day Changes and for the constructive engagement to date. We share the State's commitment to advancing zero-emission transportation and recognize the critical role the ACF rule will play in meeting California's climate and clean energy goals. It is vital that additional revisions to the regulation support workable compliance for public agency fleets in a manner that safeguards emergency response, service reliability, and ratepayer affordability.

We therefore strongly urge the Board to direct staff to issue a further 15-day Change package that incorporates the modifications outlined above. The Joint Public Agencies look forward to continuing working with CARB staff and Board members to ensure the ACF becomes a successful, practical regulation that advances the State's fleet electrification goals while safeguarding the delivery of essential public services.