

April 17, 2026

The Honorable Lauren Sanchez  
Chair, California Air Resources Board  
1001 I Street  
Sacramento, California 95814

**RE: Advanced Clean Fleets: Opposition to and Recommendations for the 15-Day Proposed Modifications**

Dear Chair Sanchez and California Air Resources Board Members:

The City of San José appreciates the Board’s continued efforts to refine the Advanced Clean Fleets (ACF) regulations and the opportunity for municipalities to comment on the 15-day proposed modifications.

The City of San José (“City”) encompasses 181 square miles with a population of nearly one million people and a commitment to a clean energy future through the robust roadmap set out in Climate Smart San José. The City is electrifying its fleet and installing electric vehicle charging equipment throughout San José, which will serve both public and private vehicles. While the City continues to pursue state and federal grant funding for this endeavor, funding constraints and vehicle availability continue to pose significant challenges. Furthermore, constantly evolving and unclear regulatory guidance make it increasingly difficult for municipalities to plan and budget for implementation.

The proposed modifications to the ACF regulations significantly expand the City’s responsibility without the necessary authority. They would extend compliance obligations beyond publicly owned fleets to include private contractors operating under municipal agreements. The City can no longer rely on outsourcing to manage fleet compliance and must act as the primary enforcement mechanism for contractor compliance. However, the City lacks direct control over contractor fleet procurement, operations, or capital investment decisions.

The proposed modifications impose substantial new administrative and legal burdens on City departments utilizing contracted services to assume new responsibilities without additional resources. These duties include ongoing contractor compliance verification, mandatory contract disclosures, extensive auditable multi-year documentation and recordkeeping, and response to CARB inquiries within tight timeframes. City departments such as Environmental Services, Public Works, and Transportation are neither resourced nor structured to perform these additional roles. The City has direct experience with contractors declining to bid or renew agreements when procurement requirements become overly complex or restrictive. Imposing additional fleet compliance obligations will likely further discourage participation and reduce competition among vendors unable to meet evolving regulatory thresholds.

---

For contractors that continue to work with the City, the capital costs associated with procuring compliant zero-emission vehicles and installing charging or fueling infrastructure will be passed through to municipal agreements. This shift will significantly increase the cost of delivering core services and place additional strain on the General Fund and enterprise funds, reducing service levels to residents in unacceptable ways. The City has projected a five-year budget shortfall of \$69.2 million, including \$56 million for 2026-2027, \$26.8 million for 2027-2028, and \$11.8 million for 2028-2029. With this shortfall and these deficits, the City would not have available resources to reallocate in fulfilling the requirements and addressing the implications of the proposed modifications.

The City remains strongly committed to advancing decarbonization, reducing emissions from its municipal operations and services, and exploring innovative financing models. Despite these efforts, funding, infrastructure, and market constraints remain.

The City respectfully urges the Board to reject the proposed modifications to prevent unintended consequences that could jeopardize life, property, and essential services. If the Board were to proceed with the proposed modifications, then the City would recommend the following:

- Expanding categorical exemptions, similar to ones proposed for emergency response needs, infrastructure constraints, and operational limitations and consistent with Section 2013(c) of Title 13 of the California Code of Regulations;
- Establishing safe harbor provisions protecting municipalities from liability;
- Identifying standard provisions for inclusion in municipal agreements;
- Standardizing the approach and providing additional funding and technical assistance for municipalities to fulfill compliance responsibilities; and
- Phasing implementation based on market readiness.

Thank you for allowing municipalities the opportunity to provide feedback to the proposed modifications of the ACF regulations.

Sincerely,

Han Kang  
Chief Intergovernmental Relations Officer, City Manager's Office of Administration, Policy, and Intergovernmental Relations

CC: The Honorable Assemblymember Patrick Ahrens  
The Honorable Assemblymember Marc Berman  
The Honorable Assemblymember Ash Kalra  
The Honorable Assemblymember Alex Lee  
The Honorable Assemblymember Gail Pellerin  
The Honorable Senator Dave Cortese

---

The Honorable Senator Aisha Wahab  
Montana Cruz, Regional Public Affairs Manager, Peninsula, League of California Cities