April 17, 2026 | *Submitted electronically*

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And Members of the California Air Resources Board
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Sacramento, CA 95814

RE: Joint Public Agency Reply Comments to the April 2, 2026, 15-Day Changes to the Advanced Clean Fleets Regulation

Chair Sanchez and Members of the Board:

The California Municipal Utilities Association (CMUA)[1], the Southern California Public Power Authority (SCPPA)[2], and the Northern California Power Agency (NCPA)[3] (collectively, the *Joint Public Agencies*) appreciate the opportunity to submit comments on the California Air Resources Board's (CARB) April 2, 2026, 15-Day Notice of Modified Text (15-day changes) for the Advanced Clean Fleets (ACF) regulation.

The Joint Public Agencies appreciate that the 15-day changes reflect some substantial changes to the ACF regulation in response to the concerns we raised in our September 15, 2025, comment letter[4] and in subsequent productive discussions with CARB staff. Several of these changes represent meaningful improvements to the regulation to support emergency response for public electric, water, wastewater, and gas utility fleets and demonstrate CARB's willingness to refine the rule in response to stakeholder feedback.

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[1] 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.

[2] The Southern California Public Power Authority (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.

[3] 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.

[4] September 15, 2025 Joint Public Agency Utility comment letter: https://scs-public.s3-us-gov-west-1.amazonaws.com/env_production/oid377/did200185/pid_212132/assets/attachments/86614/vg0gig72ojb_document.pdf?v=29168

At the same time, however, the 15-day changes include new barriers that undercut the ACF's intended flexibilities, and do not respond to several of the key outstanding issues raised by the Joint Public Agencies in prior comments. **<u>The Joint Public Agencies request that CARB issue a second 15-day package to address these barriers for the successful implementation of the ACF.</u>**

In addition, the context in which this rule will be implemented continues to change, including shifts in federal policy affecting ZEV incentives, evolving manufacturer plans and product availability, and recent real-world emergency events that underscore the operational demands on utility fleets. The January 2025 Southern California fires and windstorm, for example, reinforced the unpredictability of wildfire and other emergency events and the critical importance of maintaining reliable, deployable specialty vehicles for emergency response, mutual aid, and service restoration. And just since September 2025, when the ACF amendments were approved, several vehicle manufacturers have scaled back investments in ZEVs in the U.S. Electric pickup truck offerings, which have been an important early compliance strategy for public agencies, have been especially hard hit.

Despite some meaningful improvements reflected in the 15-day changes, those changes fail to reflect the fact that the ZEV market for utility vehicles continues to face significant uncertainty related to vehicle availability, delivery timelines, infrastructure readiness, availability of federal and state incentives, and vehicle performance across diverse and demanding operating conditions. Taken together, these realities highlight the need for flexibility so that the ACF rule can be implemented in a way that reflects actual market conditions and the essential public services provided by POUs.

CARB Should Reevaluate the ACF Prior to 2030
The Joint Public Agencies appreciate CARB's decision to delay the 100 percent ZEV purchase requirement from 2027 to 2030, as this additional time will help better align the rule with current market conditions and allow fleets to make more feasible procurement decisions. We also appreciate this additional flexibility provided to small and rural fleets, which recognizes that compliance timelines must account for the unique operational and resource constraints facing these agencies.

For the ACF regulation to be workable over time, CARB must remain willing to revisit and refine specific provisions of the regulation as real-world conditions continue to evolve. Public agency utilities remain committed to fleet electrification where feasible. **<u>Accordingly, the Joint Public Agencies request a firm commitment from CARB to reevaluate the ACF regulation through a public process before 2030, in consultation with the Joint Public Agencies and other affected stakeholders.</u>** A scheduled reevaluation would allow the Board and staff to assess changes needed so that the regulation accurately reflects real-world ZEV market conditions and public utility disaster response and operational needs. We recognize that the Board has already directed staff to revisit the rule in 2027, and we appreciate that commitment. However, rather than merely "revisiting" the rule, CARB should explicitly ensure that this will be a transparent public process in which adjustments to the rule can be made, and that the public agency utility perspective is meaningfully incorporated into any subsequent regulatory updates. This can be conducted in the manner of a mid-term review similar to that of the Advanced Clean Cars I regulation, commitment to a formal rulemaking, or other similar formal process. Such a reevaluation is particularly important given that some of the Regulation's most consequential requirements and exemptions, including the timing of the 100 percent ZEV purchase requirement for public fleets, will be changing in that period.

New Burdensome Exemption Requirements Should Be Removed
While many of the 15-Day changes attempt to reduce administrative burden, the Joint Public Agencies have significant concerns about the changes in Section 2013.1 (f), which require fleet owners to demonstrate that vehicles qualifying for exemptions would reduce the required number of ZEV purchases in the applicable calendar year. The language itself is vague, but CARB clearly states that the intent of the section is "the fleet owner shall not be granted an exemption for a given vehicle if other vehicles they need to purchase are available as a ZEV."[5]

In practice, section 2013.1 (f) blocks fleets from taking advantage of the 50% procurement requirement prior to 2030, which was established by CARB so that public agencies could deploy ZEVs where most suitable and Internal Combustion Engine (ICE) vehicles where most needed.[6] Instead, if a single exemption is needed, CARB will analyze every single ICE purchase and make its own determinations for which purchases should be ZEV or not. CARB should either remove or amend this limitation within section 2013.1(f) to ensure that the 50% purchase requirement and exemptions remain available to public agencies as intended. At a minimum, the Fleet Resiliency exemption should be removed from the 2013.1 (f) process, as the decision to designate a vehicle for fleet resiliency should be treated differently than the availability determinations of the ZEV Purchase Exemption.

Beyond stripping fleets of the ability to prioritize their ZEV purchases based on the needs and limitations of their specific fleet, this single requirement dramatically expands the exemption workload for fleets. Any time a fleet purchases more than one ICE vehicle in a year and requires an exemption request, they will be forced to submit the equivalent of an exemption application for every single ICE purchase in the fleet, no matter whether the purchase has already been made or will be made in the future. The workload becomes staggering for larger fleets, which may be purchasing more than 50 vehicles in a year.

The language in 2013.1 (f) undermines many of CARB's efforts to improve exemption processes. For example, the "Streamlined" ZEV Purchase Exemption allows for an easier exemption process without any upfront applications. However, after the year is done and

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[5] Notice of Public Availability of Modified Text and Availability of Additional Documents and/or Information, posted April 2, 2026, page 9.
[6] Notice of Public Availability of Modified Text and Availability of Additional Documents and/or Information, posted April 2, 2026, page 7.

reporting is completed, CARB can potentially retroactively deny the valid purchase of an ICE in lieu of an unavailable ZEV, because a different ZEV could have been purchased in place of a different ICE vehicle. The Streamlined exemption process is therefore unlikely to actually reduce the volume of documentation needed, and instead shifts the burden to after purchases are completed and issues are harder to rectify. Without removing or fixing 2013.1 (f), the Streamlined exemption process is illusory and cannot be relied upon.

Public agency utilities operate fleets that support complex, multiyear capital plans that often evolve throughout the year in response to factors outside a utility's control. Another result of section 2013.1 (f) is that fleets requiring exemptions must submit a comprehensive annual disclosure of planned vehicle purchases, raising concerns about how this information will be used, how changes to plans will be handled, and whether the fleet's purchasing plans could inadvertently constrain fleet operational flexibility.

Lastly, the new language in section 2013.1 (f) could be misread to imply a sunset of the ZEV Purchase Exemption, Daily Usage Exemption, and Fleet Resiliency Exemption on January 1, 2030. CARB should update the language in this section to ensure that there are no unintended consequences resulting from this section.

Removing Limitations to the Fleet Resiliency Exemption Supports Essential Public Agency Utility Functions

The restructuring of the former Mutual Aid Assistance exemption into the Fleet Resiliency Exemption reflects a meaningful improvement and shows that CARB has responded to several of the concerns raised by the Joint Public Agencies. In particular, reducing the ZEV threshold from 25 percent to 5 percent is a substantial step toward supporting emergency response by making the exemption more accessible and administratively workable for public agency fleets.

The Joint Public Agencies continue to urge CARB to preserve flexibility in the exemption structure, including a process to increase the current 25 percent cap on exempted vehicles, where warranted. This is especially important for public agency utilities, whose fleets must remain ready to respond to emergencies, support critical infrastructure, and maintain reliable electric, water, and wastewater services under rapidly changing conditions. In addition, vehicles purchased under the ZEV Purchase and Daily Usage exemptions should not count against the 25 percent limit; just because a vehicle is purchased pursuant to a different exemption pathway does not mean the vehicle serves fleet resiliency needs, and should not artificially reduce the number of vehicles available for the Fleet Resiliency Exemption. The exemption should not be further limited by the number of ZEVs in the fleet. Public agency utilities should be able to access this exemption to the full extent needed for fleet resiliency without added and unnecessary barriers.

Fleets Must Be Able to Consider Core Vehicle Specifications

The functionality of the ZEV Purchase Exemption is essential to the success of the ACF regulation, as the regulation does not function if public agencies are forced to make purchases of vehicles that are not available and do not meet fleet needs. The Joint POUs appreciate the updates made to the ZEV Purchase Exemption, as detailed below, but request that CARB revisit the language to ensure that the exemption process incorporates core operational specifications. The regulation's definition of configuration only considers the highest classification of a vehicle (e.g. bucket truck, work truck), but does not consider auxiliary equipment, payload, towing, or off-road capabilities. If public agency utilities cannot ensure that ZEVs meet the specifications they need, they risk being unable to respond to emergencies and system maintenance needs.

The Joint POU Agencies appreciate the following amendments to the ZEV Purchase Exemption:

- Additions to the eligible Configuration List for streamlined applications, including Class 2b and 3 pickup trucks. CARB should not limit the vehicle types eligible for the Streamlined exemption process, as market conditions change and there are no guarantees about which vehicle types may be available going forward.
- CARB's inclusion of language in section 2013.2 (d)(2)(B) to account for situations involving public bid processes where no responsible bids for ZEVs are received. The availability of documentation for fleet purchases depends upon public agency procurement rules and is limited to the responses received by the public agency.
- The addition of several requirements that manufacturers need to meet in order for ZEVs to qualify as "available for purchase," which all go towards protecting public agency purchases of fleet vehicles. However, the exemption should incorporate additional considerations to meaningfully address manufacturer longevity, reliability and support, such as requiring field testing and local availability of warranty services.
- Removal of the requirement forcing public agency utilities to consider the purchase of electric power takeoff (ePTO) as part of their solicitation of bids for certain types of vehicles. This change preserves fleet owners' ability to evaluate emerging technologies based on operational performance rather than regulatory preference. However, CARB should consider incorporating ePTOs into the regulation as an additional pathway for realizing emission reductions for some hard-to-electrify specialty vehicles.

Daily Usage Exemption Revisions

Because the ZEV Purchase Exemption does not consider core specifications when determining whether a vehicle is "available," the Daily Usage Exemption has the potential to serve as an important backstop to ensure that ZEVs being purchased are actually able to meet the daily usage needs of the fleet. The Joint Public Agencies appreciate CARB's edits to clarify the two methods for a fleet to qualify for the Daily Usage Exemption, so that the exemption language is easier to understand. In addition, the exemption was expanded so that fleets can submit data in increments longer than daily, which will increase access to the exemption.

However, the exemption requirements and thresholds still remain challenging, potentially preventing fleets from actually being able to utilize the exemption. The Joint Public Agencies request the following additional changes:

- The 10% ZEV threshold requirement should be reduced, at least to 5%. The need to purchase vehicles that can meet our daily usage needs is true whether or not a fleet has been able to procure enough ZEVs to meet the 10% threshold. Retaining this threshold continues to place public utilities in the untenable position of having to make ZEV purchases unrelated to operational need simply to unlock regulatory relief for vehicles that cannot yet be electrified.
- 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.
- Rather than imposing a burdensome and complicated vehicle testing requirement, including requiring fleets to obtain real-world BEV energy usage data that matches the fleet's use case, the Joint Public Agencies strongly recommend that CARB allow the calculation of fuel equivalency to capture stationary work usage.

Planning Flexibility is Essential for Public Agency Utility Fleet Operations
The Joint Public Agencies recognize and appreciate the modifications made to allow exemptions to apply to fleet expansions, not solely to replacement vehicles. These changes are responsive to concerns we raised in previous comments, and reflect the operational reality that public agency utility fleets must expand and adapt over time to serve growing populations, maintain infrastructure, and respond to emergencies. Additionally, the Joint Public Agencies appreciate the revisions addressing non-recoverable vehicles, including theft.

At the same time, the Joint Public Agencies reiterate that the regulation must not inadvertently disadvantage public agency utilities that rely on rental arrangements, including contracts longer than one year, to bridge procurement gaps or support temporary projects, and it would be unworkable if such rentals were treated as "purchases" for purposes of compliance or exemption eligibility. We urge CARB to clarify that long-term rental vehicles are not deemed purchased or owned for ACF compliance purposes, and that POUs are not required to impose de facto ACF compliance obligations on private rental fleets that are otherwise outside the scope of the rule, to avoid constraining already limited rental options and to ensure that the regulation is practicable for public agency utilities.

While the Joint Public Agencies understand that CARB is attempting to close loopholes in the regulation, the proposed changes to the definition of "Fleet Owner" leave public agencies with no regulatory remedies when they require a longer-term rental but cannot locate a rental ZEV. This provision can therefore result in non-compliance by a fleet that follows common and necessary rental practices for reasons outside its control. If CARB wants to consider these rentals as part of a public agency's fleets, it must extend the same protections as afforded to fleet purchases.

Structural and Implementation Considerations
CARB's elimination of the distinct "public agency utility" category and extension of AB 1594 flexibilities to all state and local government fleets reduces categorization-based administrative requirements and improves access to the exemptions for all public agencies. However, CARB should ensure that the unique operational demands of utility fleets, particularly those related to grid reliability, water system integrity, and public health and safety, remain fully understood as exemptions are evaluated.

The Joint Public Agencies recommend that CARB recognize the judgment of fleet owners in determining whether a given ZEV is capable of replacing an ICE vehicle based on the fleet's operational and procurement needs. The Joint Public Agencies remain concerned that the 15-day amendments continue to defer to the discretion of the CARB Executive Officer, and in fact narrow the scope of the Executive Officer's focus to "good engineering judgment." Reliance on "good engineering judgment" alone is insufficient to determine eligibility for exemptions. Instead, exemption applications should be evaluated not only on engineering considerations, but also on feasibility and operational impacts, including maintaining appropriate preparedness for emergency response.

ZEV Milestones Option
Allowing fleets to switch between the ZEV Purchase Schedule and the ZEV Milestones Option through 2030 provides important planning flexibility during a period of significant uncertainty in the ZEV market. This flexibility will help public agency utilities select the best fit compliance pathway in response to changing market conditions and their operational needs.

The Joint Public Agencies also appreciate the expanded ability under the ZEV Milestones Option to designate existing ICE vehicles as part of the Fleet Resiliency Exemption. Allowing designated ICE vehicles to be excluded from milestone calculations represents an important shift toward recognizing the role of mission-critical assets that cannot yet be replaced with ZEVs due to operational, safety, or reliability constraints.

However, the ZEV Milestones Option should be modified to push back the Milestone deadlines, similar to the delay already afforded to the ZEV Purchase 100% requirement. Public agencies complying with the Milestones Option face the same supply limitations, but CARB has not reflected the realities of the ZEV market through corresponding updates to the milestone dates. The Joint Agencies also recommend that CARB consider updating the Milestone schedule with vehicle groupings that better represent the composition of public agency utility fleets.

CARB Should Exercise Enforcement Discretion for Good-Faith Compliance
CARB should exercise enforcement discretion and avoid imposing punitive financial penalties on public agencies that make good-faith efforts to comply with this challenging new rule. The ACF rule includes complex exemptions and implementation issues that may require time to resolve in practice, and public agency utilities should not be penalized for attempting to follow a regulatory structure that remains difficult to administer. Any penalties would ultimately be borne by utility ratepayers. More broadly, successful implementation of the ACF rule depends on the ZEV market's ability to produce the vehicles utilities need, and public agencies should not be punished when market limitations prevent timely compliance.

Considerations Are Needed for Cost and Ratepayer Affordability
The Joint Public Agencies remain concerned that, even with the improvements reflected in the 15-day changes, the ACF regulation does not yet provide a clear and durable pathway to address cost and ratepayer affordability impacts for public agency utility fleets.
As local government entities, public utilities have limited mechanisms to absorb unanticipated capital and operating cost increases and must balance fleet investments against other critical infrastructure and public service demands. While the Joint Public Agencies recognize CARB's expectation that total cost of ownership benefits may materialize over time, current ZEV market conditions for medium and heavy-duty utility vehicles continue to present significant upfront cost premiums, uncertainty regarding long-term maintenance and performance, and reliance on incentive programs that remain variable in availability and scope. Explicit considerations on affordability within the regulatory framework will be necessary to ensure that utilities are not forced to make procurement decisions that could result in avoidable rate impacts for customers or divert public funds from essential reliability, safety, and emergency response investments.

Conclusion
The Joint Public Agencies appreciate the opportunity to comment on the April 2, 2026, 15-day changes and acknowledge CARB has taken important steps to address some of the implementation challenges identified by stakeholders. However, the regulation must be workable for public utilities tasked with essential electric and water services operations and emergency response. There are still outstanding issues in the 15-day changes, as outlined in this letter, that continue to pose a risk to communities served by public agency utilities. We urge CARB to address these concerns to ensure public agency utilities have the necessary accommodations to meet their responsibilities to protect the public health, safety, and welfare of the millions of their communities. We look forward to continued engagement with the Board and staff to ensure the ACF regulation remains adaptable, enforceable, and grounded in the practical realities facing public agency utility fleets.

Respectfully Submitted,

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