

California Fuels and Convenience Alliance (Gebriel Saleh)

Please see attached regarding CFCA's comments.



California Fuels and Convenience Alliance

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California Air Resources Board
1001 I Street
Sacramento, CA 95814

RE: CFCA Comments – Proposed Amendments to the Advanced Clean Fleets Regulation

The California Fuels and Convenience Alliance (CFCA) represents approximately 300 members, including nearly 90% of all independent petroleum marketers in the state and more than half of the state’s 12,000 convenience retailers. Our members—predominantly small, family- and minority-owned businesses—play a vital role in California’s fuel supply chain, serving local governments, emergency services, school districts, transit companies, independent fuel retailers, and the agriculture industry.

Thank you for the opportunity to comment on the amendments to the Advanced Clean Fleets regulation. CFCA has significant concerns with the proposed amendments, as outlined below:

EXPANSION OF SCOPE TO INCLUDE PRIVATE FLEETS

Most notably, the proposed amendments expand the scope of the regulation to include “rental and leasing company” fleets, effectively extending compliance obligations to private fleets that provide services to communities at a lower cost. While this rule is intended to apply to public fleets, the regulatory language makes clear that its scope reaches far beyond that.

The regulation explicitly states that a “fleet” “includes rental or leased vehicles that are considered owned by the ‘fleet owner’,” and further clarifies that “for vehicles that are rented or leased... the owner shall be presumed to be the rental or leasing entity for purposes of compliance.” This is not limited to simple leasing arrangements, as the rule also includes “truck leases that are part of a bundled service agreement,” capturing a wide range of private service providers that contract with public agencies.

In addition, the definition of dispatch includes vehicles “whether owned or under contract,” reinforcing that privately owned vehicles performing public functions are treated as part of the regulated fleet. The rule goes even further by explicitly including private contractors in certain categories. For example, a “waste fleet” includes vehicles operated by “a fleet owner that is contracted with a municipality via franchise agreement or long-term contract,” directly bringing private waste haulers into the scope of the regulation.

The regulation also treats leasing as equivalent to ownership for compliance purposes, stating that a “vehicle purchase” includes situations where a fleet owner has “entered into a lease agreement with a contract term of one year or more.” Taken together, these provisions make clear that private entities are not merely adjacent to this rule, but are structurally embedded within its compliance framework.

In the Statement of Reasons, this revision is described as “necessary to prevent a fleet owner from circumventing compliance requirements,” suggesting that state and local governments could avoid ZEV mandates by relying on rental or leasing companies not subject to the same requirements. However, rather than asking why public agencies are turning to these alternatives, CARB has moved to prohibit the practice altogether, despite the fact that these very conditions reflect the same market readiness challenges that justified delaying the transition in the first place.

What the Air Resources Board has failed to consider is what rural areas, cities, and counties will do if they are unable to find a private entity willing to work with them under this rule. For many of these communities, options are extremely limited, often with only one or two service providers available within a 100-mile radius. Losing access to these providers would severely impact their ability to operate. These fleets already face significant challenges with electrification. Rural areas, in particular, often lack the operational feasibility to electrify due to load constraints, while also struggling to secure the capital needed to transition their fleets and build the necessary infrastructure, even with available funding support. As a result, this rule risks having disproportionate impacts on these communities, which do not have the benefit of alternative service providers. It also risks eroding trust in government and creating an adversarial dynamic, particularly given the perception that CARB, like other agencies, has not conducted sufficient outreach to fully understand how these changes will affect local jurisdictions.

Furthermore, this approach raises significantly clear legal concerns. The rule was previously repealed for private fleets due to the state’s failure to obtain an EPA waiver. Attempting to reintroduce similar requirements through indirect means risks further legal challenges, increasing costs for the state and diverting resources that could be better spent addressing underlying issues.

Rather than pursuing workarounds, CARB should focus on meeting communities where they are, developing plans and regular check-ins centered on local needs, rather than enforcing deadlines that now extend to third-party vendors and service providers.

COMPLIANCE TIMELINES THAT DO NOT REFLECT MARKET REALITIES

Beyond the expanded scope of who must comply, CARB continues to focus on arbitrary compliance dates for public fleets to electrify, specifically a 2030 deadline for the 100% ZEV purchase requirement. These arbitrary dates consistently ignore market realities. The fact that CARB continues to grant concessions on enforcement and push back compliance deadlines demonstrates that these targets are not well-informed.

Instead, the agency should make clear that compliance will be determined only after a full market assessment is completed, using an objective, threshold-based framework that includes:

- Vehicle configuration availability for Class 4 vehicles and above, with thresholds informed by public fleet feedback: CARB must engage directly with municipalities across cities and regions to develop tailored transition plans. As has been emphasized for more than five years, the market does not yet provide reliable vehicles that meet the needs of operations such as drayage or other specialized functions. It is therefore critical that CARB work with each municipality to establish individualized performance benchmarks that must be met before these vehicles can be effectively deployed.
- Cost comparability: Cities are operating under increasing budget constraints and must make economical decisions. To date, state funding has been the primary mechanism enabling fleets, both public and private, to absorb the high upfront costs of ZEV adoption. This is not sustainable long-term. CARB should conduct additional stakeholder research to determine what cost differential between ZEV and ICE, or CNG and LNG vehicles, would allow municipalities to transition independently.
- Charging infrastructure and grid readiness: The conversation must extend beyond vehicle availability and cost. The state continues to face significant infrastructure gaps. There are not enough chargers to meet fleet demand, and there is no clear solution for power grid outages. For example, how will emergency service agencies respond during outages? Will they need to maintain backup non-ZEV fleets, adding further costs? Additionally, the grid requires continuous upgrades, which involve long timelines and administrative hurdles typical of large-scale utility projects.

The reality is that three years will not be enough to meaningfully address these challenges in a way that justifies a 100% ZEV requirement by 2030. The focus should shift away from rigid compliance enforcement and toward gathering practical data and stakeholder feedback. Only once automakers and charging providers can reliably and affordably meet fleet needs should compliance requirements be considered, if they are needed at all. If ZEVs become the preferred option, fleets will transition on their own.

CONCLUSION

Thus, CFCA encourages CARB to walk back the proposed changes that expand the definition of a fleet owner in a way that effectively forces compliance onto private fleets. As written, the regulation goes beyond its stated intent of regulating public fleets and instead creates a framework that directly and indirectly pulls in private entities, including rental and leasing companies, contractors, and service providers that communities rely on. These fleets should not be forced to comply with a regulation that remains fundamentally misaligned with current market conditions.

At the same time, CARB should reconsider the use of near-term compliance deadlines, particularly the 2030 100% ZEV purchase requirement, which does not reflect the current state of vehicle availability, cost, or infrastructure readiness. The continued need to delay and adjust these timelines underscores the fact that the market is not yet in a position to support such mandates.

Instead, the focus should shift toward a more practical, data-driven approach centered on direct engagement with local governments and stakeholders. Establishing clear benchmarks around vehicle performance, cost comparability, and infrastructure readiness will provide a more realistic pathway for transition. In doing so, CARB can better support communities in reaching a point where fleet electrification becomes a feasible and natural choice, rather than one driven by premature compliance obligations.

If you have any questions, please contact CFCA's Senior Policy Analyst, Gebriel Saleh, at gebriel@cfca.energy.

Sincerely,



Gebriel Saleh
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