

Franchise, Rate, and Business Practices Technical Council (Katelyn Scholz)

April 17, 2026
Clerk of the Board
California Air Resources Board
1001 I Street
Sacramento, CA 95814

Submitted via California Air Resources Board Comment Portal

To: Chair Lauren Sanchez and the Members of the California Air Resources Board:
RE: Advanced Clean Fleets Regulation 15-Day Amendment Comments

Thank you for this opportunity to provide comments on the proposed amendments to the Advanced Clean Fleets (ACF) and Low Carbon Fuel Standard regulations. This letter is being submitted by the Franchise, Rate, and Business Practices Technical Council of the California Resource Recovery Association (CRRA). Our technical council advances effective and innovative strategies in contract administration, rate setting, procurement, negotiation, and business practices for solid waste and recycling services. Our membership includes local government officials, service providers, and industry experts with decades of experience in solid waste and recycling. The opinions expressed in this letter do not necessarily represent those of the CRRA Board or the broader CRRA organization and membership.

We share CARB's overarching goals of reducing emissions and transitioning to cleaner vehicle technologies. However, we have significant concerns with the proposed expansion of the definition of "waste fleet" and the associated compliance structure. We believe this may unintentionally undermine both environmental and public service outcomes if implemented as currently drafted. Our primary concerns relate to the likely impacts on 1) solid waste ratepayers; 2) collection operations; and 3) franchise agreements (contracts between private service providers and local governments).

Impacts on Solid Waste Ratepayers

The proposed amendments would create significant cost burdens for ratepayers. The purchase cost of zero-emissions vehicles can be up twice that of internal combustion vehicles, without taking additional infrastructure and implementation into consideration. In addition, more vehicles will need to be purchased to provide the same amount of work because in most environments zero-emissions vehicles cannot collect from as many customers per day due to range limitations, battery charging times, and the reduced payloads caused by the weight of the batteries. The proposed implementation schedule would require affected fleets to transition future purchases and fleet composition toward ZEVs on a phased timeline, which could cause some vehicles to be replaced before the end of their economic life and likely increase costs." These significant cost increases will ultimately be borne by the ratepayers, and not local governments or their private contractors. This is after many other recent increases in costs affecting this industry, including the significant rate increases that were necessary to reduce the landfilling of organic waste to lessen the impact on climate change.

Impacts on Collection Operations

The proposed amendments would mandate the use of new technologies which have not yet been proven to be reliable for this application. It is too early in the development of zero-emissions waste vehicles to require their common use without risking potential disruptions in waste collection services which are vital to public health and safety and for environmental protection. For example, an electrical blackout could lead to an interruption in waste collection service. In addition, there are currently serious practical barriers to ACF compliance for waste fleets, including limited vehicle availability, long lead times to obtain vehicles, difficulty in securing sufficient electrical service, and the absence of commercially available zero-emission trucks for several mission critical applications.

Impacts on Franchise Agreements

The cost to ratepayers of solid waste franchise agreements is determined in large part by the number and types of vehicles that a private waste service provider must purchase for that agreement and the number of years the service provider will have to depreciate those vehicles. The proposed amendments will require most municipalities in the state to renegotiate their franchise agreements, as the majority of current agreements did not anticipate a rapid shift to zero-emissions vehicles or the need to replace internal combustion vehicles with remaining useful life before they were fully depreciated. Such franchise agreement renegotiations will be highly disruptive to the industry and pose risk of significant rate increases.

Waste collection vehicles have an average useful life of around ten years and are therefore typically depreciated over ten years. The proposed amendments appear to consider this by re-defining "waste fleet" to include only those fleets contracted via a franchise agreement / contract "with either a minimum length of ten years or more, or with a minimum length of three years but includes a renewal provision when satisfying the contract terms." Unfortunately, this definition creates perverse incentives for local governments and service providers to avoid compliance by "gaming" the contract term. A local agency could amend their existing waste collection franchise agreement, (or issue a new one) to be less than ten years long to avoid the zero-emission vehicle transition. This would increase annual costs as the service provider would have fewer years to depreciate the vehicles. Those increased costs would be passed on to the ratepayers without furthering CARB's intended goal of transitioning to zero-emissions vehicles. Franchise agreements with shorter terms create inefficient capital cycles that impact ratepayers and increase the service provider incumbency advantages that frustrate competition in these critical public services.

Conclusion

For these reasons, we respectfully request that the Board reject the newly proposed amendments that burden cities, at least until vehicle availability, reliability, and supporting infrastructure are demonstrably sufficient to support statewide implementation. If the Board decides not to reject the proposed amendments, then please consider relaxing the requirements by extending the timeline, considering exceptions for vehicles with existing useful life that were procured under existing contract terms, providing adequate alternative funding sources, and generally taking a more reasoned and balanced approach that recognizes the unique situations that every California community will face in implementing these regulations.

Sincerely,
Katelyn Scholz
Co-Chair

Franchise, Rate, and Business Practices Technical Council

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Sincerely,

A handwritten signature in blue ink that reads "Katelyn Scholz". The signature is written in a cursive, flowing style.

Katelyn Scholz
Co-Chair
Franchise, Rate, and Business Practices Technical Council