Association of California Water Agencies (Nick Blair)

Attached are ACWA comments to the latest 15 day changes to the Advanced Clean Fleets regulation.

June 16, 2026 Comment letter submitted via electronic commenting system

Clerk's Office
California Air Resources Board
1001 I Street, Sacramento, California 95814

RE: Comment Letter – Advanced Clean Fleets Regulation Amendments/Additional 15-Day Changes

Dear California Air Resources Board,

The Association of California Water Agencies (ACWA) appreciates the opportunity to provide comments on the most recent proposed 15-day change amendments to the Advanced Clean Fleets (ACF) regulation (15-day changes) as required by Assembly Bill 1594 (Garcia, 2023) [AB 1594]. ACWA represents approximately 470 public water agencies that collectively deliver approximately 90 percent of the water in California for domestic, agricultural, and industrial uses. ACWA has participated in ACF since its conception, throughout its development, and now into this latest amendment stage[1]. We support the state goals that ACF aspires to reach, and our members continue to view ACF as a key proceeding to advocate on behalf of public water agencies in to ensure that our role as essential public service providers is considered and reflected in ACF[2].

The comments provided below respond directly to the latest 15-day changes to express: (1) the proposed 15-day changes should not proceed as written, (2) the current ACF regulation does not include private-sector fleets, (3) we have concerns about the treatment of contracts for ACF compliance, (4) need for additional guidance to public fleets on how leases and contracts fit within fleet compliance, (5) that additional work that needs to be undertaken beyond these 15-day changes in another amendment proceeding, and (6) appreciation for ongoing engagement with CARB staff and board members.

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[1] ACWA has actively participated in ACF since Governor Newsom proclaimed Executive Order N-79-20 (2020) in anticipation of how key participation would be to provide public water agency input towards regulatory development.

[2] ACWA submitted a letter on May 2, 2025, September 15, 2025 and April 17, 2026 encouraging further consideration of public agency utilities needs in the AB 1594 amendment process to ACF.

1. Proposed expansion of "Fleet Owner" definition is not sufficiently related to the Notice of Proposed Action and should not proceed as a 15-day change

Under Government Code section 11346.8(c) and title 1, California Code of Regulations, section 44, a modification to a proposed regulatory text may be circulated for a 15-day comment period only if the modification is "sufficiently related" to the originally proposed action. This standard is not met here with the most recent 15-day day changes posted on June 1, 2026. The Notice of Public Hearing[3] and subsequent rulemaking material were framed entirely around implementing AB 1594 and public agency fleets. Nothing has signaled that the rulemaking might also expand the definition of "Fleet Owner" to encompass any person or entity that "owns, rents, leases, operates, or contracts for the operation of the vehicles comprising the fleet." The proposed change would regulate private-sector fleets through how private-sector fleets can contract with public fleets. A commenter focused on the stated purpose of the rulemaking would have had no reason to anticipate a definitional change that extends the regulation's reach outward to private-sector entities operating or contracting with public fleets. The change is therefore not "sufficiently related" to the original notice and does not qualify for a 15-day comment period. If CARB wishes to pursue this definitional change, it must do so through a new 45-day notice of proposed action under Government Code section 11346.4, providing all directly affected parties, including private-sector fleets and the public agencies that contract with them, a full and meaningful opportunity to comment.

2. Current ACF regulation does not include private-sector fleets

At present, CARB lacks the ability to enforce ACF against private-sector fleets because California withdrew its request to the United States Environmental Protection Agency for the necessary Clean Air Act waiver and authorization in January 2025. Without that federal approval, CARB cannot enforce the portions of ACF that extend to private-sector fleets, including high-priority and drayage-related requirements, even as CARB continues to move forward with provisions applicable to public fleets. Therefore, whether directly or indirectly, it is inappropriate to enforce ACF upon private-sector fleets at this time.

3. Concern with latest interpretation of fleet contracts included in ACF compliance

ACWA is very concerned that the latest 15-day changes will significantly complicate compliance for public fleets and become more administratively unwieldly for CARB to manage. As proposed in the latest 15-day changes, ACF applies to all contract agreements regardless of length as a part of public fleet, including short term rentals.

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[3] The objectives and benefits stated in the Notice of Public Hearing on July 15, 2025 was centered around the directives of AB 1594 to consider greater flexibilities for public agency utilities and to repeal portions of ACF relevant to private fleets.

Short term rentals are not planned for in the same way that longer contracts are, and often are used to fulfill immediate fleet needs during emergencies[45]. This latest interpretation of contracted vehicles is a challenge that will be faced by small and large agencies alike, and is more problematic to work through for public fleets than in the previous draft published on April 2, 2026.

Consider the following scenario to describe this concern- a public agency contracts twenty heavy duty vehicles in year 2027, for two weeks only to deal with a fire. Would this equate to the public agency contracting twenty internal combustion engine (ICE) vehicles into its 2027 fleet, and thus result in needing to add 20 ZEVs to offset the ICE vehicles? During emergencies, public fleets prioritize public health to respond to floods, fires, earthquakes, and other natural disasters. Unsurprisingly, public fleets are desperately seeking all vehicles to immediately meet their needs. Despite any best efforts to plan for ACF compliance under the current 50/50 requirements that will be in place through 2030 (pending approval of the current amendments), including all short term rentals in ACF runs the risk of putting even the most proactive public agencies out of compliance with ACF. This challenge would only become more problematic after 2030 when all new purchases, leases and contracts would need to be ZEVs for fleets to comply with ACF.

We offer a few options for how CARB can address our concerns:

- Repeal the current June 1, 2026, 15-day changes and return to the previous changes from the initial 15-day changes, dated April 2, 2026 as a starting point[6] for the next amendment process undertaken by CARB.
- Define "major contracts" and "short-term contracts" in 15-day changes clearly to avoid ambiguity:
    - Specify that "short term contracts" identified to deal with emergencies are not part of ACF compliance, and "short term contracts" are those that last less than 12 months.

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[4] One large ACWA member on average has about 550 vehicles, it owns, that are over 8,500 lbs. Contracted vehicles, regardless of contract term length, would now become part of their total fleet. When the agency adds or removes vehicles that weigh over 8,500 lbs. from the fleet, they have 30 days to notify CARB. If the agency keeps adding contracted vehicles throughout the year, the fleet will constantly report the additions and removals to CARB which will be burdensome for both the agency and for CARB.

[5] One small ACWA member responds to flood emergencies with short term rental agreements with available vehicles nearby, which are ICE vehicles. The current interpretation of contracts would put them far out of compliance since they do not purchase many vehicles year-to-year.

[6] While ACWA continues to have concerns with the initial April 2, 2026 15-day draft, we recommend that the second 15-day rulemaking draft be withdrawn and that amendments related to contracted vehicle requirements be revisited at a later date when there is sufficient time to work through the latest proposed language. The proposed changes would create substantial impacts and complications for public fleet compliance.

    - Hold off on enforcement of contracts and rentals as part of ACF compliance until further dialogue is held to appropriately administer rentals.
- Develop an additional guidance document that separates major contracts from short term contracts and work with public agencies on case-by-case scenarios.
- Prioritize how to appropriately identify short term contracts in future amendment discussions, after this current amendment process (2025-26) is closed.

4. Further guidance for how lease and contract agreements fit within a public fleet

The recently posted Guidance Document[7] leaves additional questions for public fleets that contract and lease vehicles to consider that must be made clear moving forward. These include:

- How lease and contract agreements are viewed as part of a public fleet?
- Are public fleets allowed to treat rental and contract agreements as a separate fleet from their internal fleet for ACF compliance? If so, can the separate fleet follow the Milestone pathway?
- What is a fleet to do if the only vehicles available for short term rentals are not ZEVs?
- Does ACF apply to service contracts where vehicles are used to complete the service, but not operated by the public fleet? For example, when a public fleet hires a construction company for a project or contracts for chemical delivery.
- Retroactive requirements- The applicability is stated to begin January 1, 2024. Adding all contracted vehicles to a public fleet now could place a public fleet with existing contracted vehicles into non-compliance.
- Inconsistent reporting:
    - For existing contracts, contractors may not be obligated to provide the necessary vehicle reporting information.
    - Could result in duplicative reporting if a contractor is voluntarily complying with ACF and has vehicles already reported in TRUCRS.
    - A contractor may service more than one public fleet that could result in duplicative reporting of a vehicle in different compliance pathways (Purchase Schedule and Milestone).
    - Public fleets are not registered Department of Motor Vehicles owners of contracted or leased vehicles.
    - Public fleets are not the reported Clean Truck Check owners. Contractors' heavy-duty vehicles may be subject to CARB's Clean Truck Check

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[7] CARB posted a Guidance Document to further explain latest 15-Day Changes publicly noticed on June 2, 2026.

regulation, where those same vehicles are reported as part of the contractors' fleet.

- The Guidance Document states that exemptions and extensions are available, but those needed to be amended to reflect the proposed changes to the scope of ACF:
    - Backup Vehicle Exemption – The guidance document allows a public fleet to subdivide their fleet and designate contracted vehicles under the ZEV Milestone Option. The regulation states that a vehicle that operates over 1,000 miles a year cannot be operated in California. This suggests that a public fleet could be making compliance decisions that will have significant implications on another entity's vehicle.
    - ZEV Purchase Exemption – This exemption focuses on actual vehicle purchases, not contracted vehicles that are added to the fleet. It should include provisions for instances where ZEVs are not available for contract, such as when a public fleet does not receive any responsive bids.
    - Daily Usage Exemption – This exemption requires past mileage and fueling records. Public fleets may not have this information until the vehicles have already been contracted and operated.
    - Fleet Resiliency Exemption – The new requirements will require reassessing the adequacy of this exemption as contracted vehicles will alter the composition of a public fleet.

5. Significant work remains for CARB and public fleets to address in ACF implementation

ACWA understands that significant work remains following these 15-day changes, and following the conclusion of this process that began in 2025. We encourage CARB to pick this up immediately following the administrative close of this proceeding with a new ACF amendment proceeding. ACWA retains significant concerns for successful ACF implementation[8], and is motivated, beyond adoption of the 15-day changes, to continue substantive dialogue with CARB to identify ongoing challenges and clarifications that will need to be addressed in future regulatory efforts. We encourage CARB to start a new amendment process to address:

Broad Issues-

- ZEV Market Uncertainty
- ZEV Market Affordability
- Grid Reliability

Specific Issues within ACF Language-

- Fleet owner definition rental and lease language

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[8] This list of broad issues and specific issues reflects ACWA's comment letter submitted on April 17, 2026.

- Early or Excess ZEV Purchases
- Fleet Resilience Exemption capped at 25% of fleet and subtracted by other exemptions
- Increased Requirements to apply for ZEV Purchase and Daily Usage Exemptions
- Future Mobile Fueling Requirements to be reviewed for use in 2030
- Hiring Compliant Fleets

6. Appreciate ongoing CARB staff and Board engagement on ACF

ACWA appreciates the many meetings and site visits that CARB staff participated in with us in 2025-2026 over the course of this amendment process and our coalition partners more broadly to understand the challenges that public fleets face in working towards ACF compliance. We also appreciate that time that respective Board Members have given us over the course of the ACF rulemaking. We encourage continuation of this conversation as public fleets work towards compliance so that we can solve ongoing implementation issues that will arise.

Conclusion

ACF remains a priority issue for our members and it is for reasons like this that ACWA continues to actively participate in ACF implementation to ensure that public agency fleet needs are prioritized. ACWA will continue to collaborate with its members on best practices for ACF compliance, and continue to communicate with CARB Board and staff about where compliance challenges arise. This is essential dialogue for a landmark regulation like ACF that is fundamentally changing the way we look at medium and heavy duty fleet operations including essential public services like those that our members provide. ACWA appreciates CARB's consideration of these comments, and will continue to reach out to continue this dialogue. If you have any questions or would like to discuss the comments, please contact Nick Blair at nickb@acwa.com or (916) 669-2377.

Sincerely,

Nick Blair
Senior Policy Advocate
Association of California Water Agencies

cc:
The Honorable Lauren Sanchez, Chair, CARB
The Honorable Lynda Hopkins, Board Member, CARB
The Honorable Eric Guerra, Board Member, CARB
The Honorable Patricia Lock Dawson, Board Member, CARB
The Honorable Dr. Tania Pacheco-Warner, Board Member, CARB
The Honorable Dr. Susan Shaheen, Board Member, CARB
The Honorable Dr. John Balmes, Board Member, CARB
The Honorable Cliff Rechtschaffen, Board Member, CARB
The Honorable John Eisenhut, Board Member, CARB
The Honorable Dr. Steve Cliff, Executive Director, CARB
Ms. Michelle Buffington, Division Chief, CARB
Mr. Tony Brasil, Branch Chief, CARB
Mr. Paul Arneja, Manager, CARB
Mr. Chris Francheschi, Manager, CARB
Mr. Marwan Khalifa, Interim Executive Director, ACWA
Ms. Chelsea Haines, Director of State Regulatory Relations, ACWA