June 15, 2026

Mr. Christopher Grundler, Deputy Executive Officer
California Air Resources Board
1001 I Street
Sacramento, CA 95814

Dear Mr. Grundler:

Subject: Comments on the Proposed Amendments to the Advanced Clean Fleets Regulation Second 15-Day Changes

The Los Angeles Department of Water and Power (LADWP) appreciates the opportunity to provide comments on the California Air Resources Board's (CARB) second 15-day changes to the Advanced Clean Fleets (ACF) Regulation to incorporate the requirements under Assembly Bill (AB) 1594 and CARB's Board Resolution 25-9 (Board Resolution 25-9).

LADWP is the nation's largest municipal utility serving more than four million residents of the City of Los Angeles (City), its businesses, and visitors. LADWP maintains a vast water system with about 7,341 miles of mainlines and trunk lines transporting approximately 140 billion gallons of water annually. LADWP's Power System, on the other hand, supplies over 21,600 gigawatt hours annually to customers in Los Angeles and the Owens Valley. The City's clean energy future is guided by the LA100 Plan, which is a roadmap for providing reliable and sustainable electricity, while achieving an accelerated goal of an 80 percent renewable portfolio standard by 2030 and transitioning to a 100 percent carbon-free power supply by 2035. In late 2025, LADWP permanently ended the use of coal-fired electricity from the Intermountain Power Project, officially completing its full divestment from coal in the City's power supply. Furthermore, LADWP has been a leader in water conservation since the early 1990s and continues to implement innovative programs such as groundwater replenishment and recycled water to build a resilient and sustainable future.

LADWP's commitment to climate change mitigation is mirrored in its commitment to climate change adaptation and investments in community resiliency – both of which require robust crisis management and emergency response. To serve its customers, LADWP maintains a diverse power generation, transmission, and distribution system of 15,000 miles of power lines and cables that span five western states. Operating and maintaining these vast systems require specialized vehicles that are readily available to quickly restore water and power when there are disruptions.

Water and power crews respond to emergency events such as high winds, heat storms, floods, sabotage, and major system failures, as well as mutual aid requests from local utilities and other water and power utilities throughout the United States. LADWP's crews work directly with first responders like the police and fire departments during these events or when requested by the City to assist with other local emergencies. Wildfire response, in particular, supports both community resiliency and climate change mitigation given vast carbon emissions that result from such events. Emergencies like the wind-driven wildfires in the Pacific Palisades have highlighted the need for continuous duty fleet vehicles to protect life, property, the environment, and worker safety.

LADWP appreciates CARB's efforts and dialogue throughout the ACF rulemaking and their openness to further engage with the stakeholders by releasing a second 15-day package and guidance document. However, the proposed changes do not address any of the public agency utilities' prior comments regarding the exemption process, which is vital to acquiring vehicles with specifications that meet operational needs. For LADWP's outstanding concerns regarding the exemptions, please refer to LADWP's previous comment letters dated October 17, 2022[1], April 7, 2023[2], December 10, 2024[3], September 15, 2025[4], and April 17, 2026[5].

Instead of incorporating recommendations or addressing previously raised concerns from public agency utilities, the second set of 15-day changes added more stringent requirements for contracted vehicles, which are beyond the scope of AB 1594, Board Resolution 25-9, and the original requirements of the regulation for State and Local Government (SLG) fleets. The proposed language transfers the responsibility and compliance of contracted vehicles to SLGs without any prior engagement with stakeholders. As a provider of essential public services, the proposed changes will severely impact LADWP's continued ability to provide safe and reliable water and power.

Immediate and Long-Term Impacts on LADWP's Operations

CARB Board Members enacted Board Resolution 25-9, which "directs the Executive Officer to utilize the exemption criteria to ensure the regulation has no adverse impact on essential public services and to consult with state and local government entities to resolve their concerns."[6] The second 15-day package which was released without prior stakeholder discussions extends the applicability of ACF to hired fleets and poses an enormous adverse impact on SLG fleets. Additionally, CARB's guidance document claims that such "modifications clarify the following existing requirements as intended in the initial ACF amendment language released on July 29,

[1] October 17, 2022 LADWP comment letter: https://ww2.arb.ca.gov/sites/default/files/BARCU/barcu-attach/323-acf2022-AGxSNQZjVXEGcAdY.pdf
[2] April 7, 2023 LADWP comment letter: https://ww2.arb.ca.gov/sites/default/files/BARCU/barcu-attach/514-acf2022-Uz9dOIl3VnIKfFMM.pdf
[3] December 10, 2024 LADWP comment letter: https://ww2.arb.ca.gov/form/public-comments/submissions/19416
[4] September 15, 2025 LADWP comment letter: https://scs-public.s3-us-gov-west-1.amazonaws.com/env_production/oid377/did200185/pid_212132/assets/merged/zc0biej17e9_document.pdf?v=41222
[5] April 17, 2026 LADWP comment letter: https://scs-public.s3-us-gov-west-1.amazonaws.com/env_production/oid377/did200185/pid_214073/assets/merged/wb0eigvdhqu_document.pdf?v=33452
[6] Amendments to the Advanced Clean Fleets and Low Carbon Fuel Standard Regulations: https://ww2.arb.ca.gov/sites/default/files/barcu/board/res/2025/res25-9.pdf

2025". LADWP respectfully disagrees that adding hired or contracted vehicles to SLG fleets was an existing requirement or the intent of the amendments to the ACF SLG language.

LADWP currently contracts a wide range of services including the construction of large capital infrastructure projects, emergency response, and other services as needed. Water and power infrastructure projects are ongoing efforts necessary to ensure continued supply of high-quality, safe, and reliable water and power to customers now and in the future. These require regular maintenance and upgrades to support the rapid buildout of renewable energy and expanded electrification of buildings and transportation to meet the City's accelerated clean energy target.

The proposed changes to the regulation are expected to have both immediate and long-term impacts on existing projects, including but not limited to complex operational challenges and potentially significant cost implications. For instance, the requirement to report specific vehicle information is currently outside the scope of existing contracts but under the proposed amendments, SLGs will now be required to report information that can only be provided by the contactors themselves. Existing contracted vehicles may become non-compliant under the available compliance options.

In the long-term, LADWP is also concerned that these new requirements could severely impact future bids and the ability to provide essential services if private fleets are unable to bid on SLGs' projects that require Zero-Emission Vehicles (ZEV). SLG fleets may not be able to contract vehicles under the Purchase Schedule compliance pathway when the 100 percent purchase requirements begin in 2030, or when the ZEV Milestone percentage requirements begin in the compliance milestone year. This is a drastic change from the original regulation which previously required SLG fleets to provide a disclosure when hiring a compliant fleet and only hire compliant fleets that are subject to ACF. It did not require SLGs to report contracted vehicles as part of their own fleet.

The new requirements will substantially undermine future capital infrastructure projects and the utilities' ability to provide essential service and respond to emergencies, as described in detail below:

1. **Scope and Applicability – Fleet Applicability:** The change made to fleet applicability has tremendous implications on the entire regulation. Expanding the scope of the regulation to include hired and contracted fleets will be extremely burdensome and could make the regulation infeasible for SLGs to comply with. Furthermore, with the applicability expected to become effective on or after January 1, 2024, the proposed change will retroactively impose new requirements on existing fleets that have already begun implementation. This severely impacts the SLG fleet's compliance plan and could also potentially cause an SLG fleet to be out of compliance.

2. **Definition of Fleet and Fleet Owner:** The first 15-day language amended the definition of a fleet owner to include all rental and lease vehicles that are operated for over one year starting in 2027. This is a significant change from the original language where the owner must also be specified in the terms of the rental agreement. LADWP requires rental vehicles to supplement its fleet as needed.

In the second 15-day package, CARB proposes to further change the definition of fleet and fleet owner to include contracted vehicles. LADWP recommends again that rented, leased, and contracted vehicles should not be automatically considered part of an SLG fleet unless it is stated in the contract. The rental companies or contractors are the legitimate owners if they are responsible for registering their vehicles with the California Department of Motor Vehicles, performing the required maintenance and repairs of vehicles, and ensuring the vehicles' compliance with all required inspections, permits, and licenses. Additionally, contractors' heavy-duty vehicles may already be subject to CARB's Clean Truck Check regulation, where those same vehicles are reported as part of the contractors' fleet. The proposed changes would result in inconsistencies in the interpretation of the definition of fleet and/or fleet owner.

3. **Definition of Vehicle Purchase:** LADWP does not agree that contracted vehicles should be counted towards the hiring SLG's vehicle purchases. Vehicle purchases permanently become part of the SLG fleet and are intended to be available for the entire useful life of the vehicle. Contracted vehicles, on the other hand, are typically intended to serve an immediate need and used for a shorter period of time. The cost-benefit ratio and emissions reductions associated with replacing an Internal Combustion Engine (ICE) vehicle with a ZEV would be much higher compared to using a contracted ICE vehicle for a short term. Investments could instead be made elsewhere to provide greater emission reductions.

4. **Reporting Issues:** The proposed changes also pose potential reporting challenges and inconsistencies. A likely scenario is that the same vehicle could be reported multiple times and/or under different compliance pathways.
    a. In addition to being administratively burdensome, required records may not be easily accessible since SLGs are not the true owners of the vehicles. Hired fleets would have to be contractually obligated to collect and provide the required vehicle information in order for SLGs to report those vehicles.
    b. If private fleets opt to voluntarily comply with ACF and are listed on the ACF webpage as a compliant fleet, their vehicles may already be captured in their separate Truck Regulations Upload, Compliance, and Reporting System (TRUCRS) account.
    c. A contracted vehicle could potentially provide services to more than one SLG agency, resulting in duplicative reporting where each SLG could choose different compliance pathways.
    d. The regulation does not clearly specify if and how an SLG fleet can be subdivided for contracted vehicles – whether contractors' vehicles would be in separate TRUCRS accounts or within a single account. The regulation also does not specify if and how separate compliance pathways may be used.

5. **Exemptions and Extensions:** The guidance document states that rented, leased, or contracted vehicles are eligible for exemptions and extensions. However, SLGs should not be making decisions that affect a vehicle's compliance or be responsible for applying for exemptions for other entities' vehicles.

The second 15-day package includes significant changes to the scope of the regulation that warrant revisiting the exemption and extension processes and possibly incorporating additional flexibilities as described below:

a. Backup Vehicle Exemption – The exemption states that a vehicle that operates over 1,000 miles a year can no longer be operated in California. This suggests that if an SLG designates a contractor's vehicle as a backup vehicle, they would be making compliance decisions that may have significant implications on another entity's vehicle.
b. ZEV Purchase Exemption – This exemption was originally intended for actual vehicle purchases, not contracted vehicles that are added to the fleet. In the event that an SLG does not receive any responsive bids, this exemption process should include provisions for instances where ZEVs are not available to satisfy the contract requirements.
c. Daily Usage Exemption – This exemption requires past mileage and fueling records. Since SLGs will likely not have this information until the vehicles have already been contracted and operated, LADWP asks that CARB clarify how this exemption process would have to be updated to account for contracted fleets.
d. Fleet Resiliency Exemption – The addition of contracted vehicles to an SLG's fleet will alter the composition of an SLG's fleet, prompting the need to reassess the adequacy of this exemption process, as currently written.

Conclusion

LADWP appreciates CARB's efforts to provide clarity to the regulation in the second 15-day package; however, the newly added requirements bring additional inconsistencies in the regulation and will make it even more challenging for public utility fleets to comply. More importantly, the new requirements, along with the current ZEV market conditions and restrictive exemption process, make it nearly impossible for LADWP to update its fleet as needed to ensure its continued ability to provide essential public services. It is crucial for this regulation to be workable both in the immediate and long-term and to serve as the model to support future electrification goals while maintaining a standard of reliability for LADWP's residents and customers. LADWP recommends reverting to the first 15-day changes and/or initiating further stakeholder discussions during a new rulemaking process before adopting the changes proposed in the second 15-day package.

LADWP has been at the forefront of electrifying its fleet and evaluating a variety of ZEVs for effectiveness and reliability as they become available. LADWP continues to foster a Zero-Emission First Procurement Policy and prioritize ZEV procurement whenever feasible. Despite LADWP's proactive efforts, LADWP recognizes the need for continued discourse with CARB as markets develop to determine the most cost-effective path for SLGs to achieve the state's decarbonization goals. LADWP encourages CARB to continue working with stakeholders to make additional revisions to the language to successfully implement the goals of ACF. LADWP appreciates CARB's collaboration with the stakeholders and consideration of the feedback provided.

If you have any questions regarding these comments, please contact me at (213) 367-0436 or Ms. Andrea Villarin, of my staff, at (213) 367-0409.

Sincerely,

Katherine Rubin *Digitally signed by Katherine Rubin Date: 2026.06.16 12:22:14 -07'00'*

Katherine Rubin
Director of Corporate Environmental Affairs

EC:cy
Enclosure
c/enc: The Honorable Lauren Sanchez, Chair, CARB
The Honorable Dr. Steve Cliff, Executive Director, CARB
Ms. Michelle Buffington, Division Chief, CARB
Ms. Andrea Villarin