CMUA/SCPPA/NCPA (Derek Dolfie)

Please see the attached comments submitted on behalf of the California Municipal Utilities Association (CMUA), the Southern California Public Power Authority (SCPPA), and the Northern California Power Agency (NCPA). Thank you.

June 16, 2026 | Submitted electronically

Chair Lauren Sanchez
And Members of the California Air Resources Board
1001 I Street
Sacramento, CA 95814

RE: Comments on Second 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 Agency Utilities) appreciate the opportunity to provide feedback to the California Air Resources Board ("CARB") staff on the proposed amendments ("Second 15-day changes") to the Advanced Clean Fleets ("ACF") rule, posted June 1, 2026.

The Second 15-day changes present significant concerns for public agency utilities. The Joint Public Agency Utilities reiterate our commitment to continued engagement and working collaboratively on implementation and additional future updates to the ACF in a subsequent rulemaking that reflects the market evolution and upholds the intent of AB 1594 (Garcia, 2023). The Joint Public Agency Utilities provide the following comments in response to the Second 15-day changes, which will be further detailed below.

I. The Second 15-day changes are a substantial expansion of the existing regulation and risk interrupting necessary utility operations conducted through contracts. The Joint Public Agency Utilities urge CARB to withdraw in its entirety the Second 15-day changes, and reissue and approve the 15-day changes proposed in April, 2026 ("First 15-day changes").
    a. Prior to CARB adopting additional regulatory requirements for contracted fleets, public agencies must be afforded sufficient opportunity and notice to provide feedback on the scope, costs, and impacts of such a regulatory approach.

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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.

II. Durable guidance, in addition to ongoing engagement with public agency utilities, is needed to alleviate implementation issues and identify improvements for a follow-up rulemaking.
    a. The guidance document requires revisions that clarify that the scope of the provisions is limited to contracted vehicles operated by the public agency. This should also be reflected in the Final Statement of Reasons (FSOR).

III. Timely adoption of improvements to the ACF rule that capture ZEV market realities and address the intent of AB 1594 is critical.

These comments are provided in addition to several outstanding concerns, addressed in the April 17, 2026, comments.[4]

I. The Second 15-day Changes are Substantial Expansion and Risk Interruptions to Utility Operations, and Therefore Should be Withdrawn

<u>New Contracted Fleet Provisions Risks Operational Interruptions</u>

Including contracted vehicles in the rule, as proposed in the Second 15-day changes is an expansion of the scope that would have significant and complicated impacts on public fleet operations and corresponding impacts on ratepayers. These changes would impact the ability of public agency utilities to prepare for and respond to safety issues and emergency situations. For example, impacted contracts can impact emergency response and wildfire mitigation efforts like vegetation management. These contracts could be canceled or delayed due to this proposal, directly impacting safety and reliability, as well as public safety and emergency response. The consequences will be felt almost immediately, as public agencies grapple with which existing contracts may impact the fleet's procurement requirement, and as public agencies attempt to enter into new contracts for services. Furthermore, public agencies make regular investments in utility infrastructure projects, many of which require the support of contracted vehicles.

Due to the substantial and unclear nature of the proposed changes, public agencies may need to pause, cancel, or delay existing contracts that involve vehicle operation as they assess the corresponding impact on ACF compliance.

Public agencies comply with public contracting processes, and at times are already challenged to locate contractors willing and able to comply with prevailing requirements. For public agency utilities, many contracted services are very specialized, and there are limited options for contracting for those services. The addition of new fleet requirements on contractors will only compound that challenge. Additionally, the new contracted vehicle provisions are likely to increase the costs of contracted services, from a combination of increased compliance costs (including the potentially significant administrative burden to track and monitor fleet vehicle specifications for third party vendors over which the public agency has no operational control), increased reporting, and a decrease in the pool of contractors willing and able to contract with public agencies. This can result in higher costs being passed through to public agency utility customers. These impacts can be felt more keenly in rural areas. For example, rural and remote utilities, like TDPUD, already face challenges based on geographical location and dependency on contracted services within a limited

[4] Joint POU comments, submitted April 17, 2026 https://scs-public.s3-us-gov-west-1.amazonaws.com/env_production/oid377/did200185/pid_214073/assets/attachments/61571/d40ui1qfu8b_document.pdf?v=13512

pool of available vendors, that would be further constrained by additional contracting requirements imposed by the Second 15-day changes. Public agency utilities that provide critical services in the Truckee-Tahoe Basin, Sierra and Plumas Counties would be further constrained in efforts to secure annual construction, maintenance and special services contracts, likely resulting in higher costs and longer lead times and may be entirely unavailable during winter severe weather conditions.

These contracts reflect routine, "business-as-usual" operations necessary to maintain essential public services. Any disruption or added uncertainty in these agreements risks compromising emergency response, wildfire mitigation efforts, and the delivery of safe, reliable, affordable drinking water and electricity. Accordingly, changes affecting contracted vehicles should be carefully evaluated and implemented prospectively to avoid unintended impacts.

Examples of Contracts Impacted

The contracts potentially being impacted by the new contracted vehicles provisions are diverse and reflect the typical types of services contracted by public agency utilities. The following is a sampling of the contracted services that would be impacted by the new contracted vehicle provisions proposed in the Second 15-day changes.

- Emergency Response
- Vegetation management
- Substation repair and construction
- Transmission and distribution maintenance, operations, repair, construction, installation
- Inspections of equipment, distribution and transmission lines, pipelines, sewers
- Construction (e.g. buildings, EV chargers, water tanks, trenching)
- General electrical contractors
- On-call crane services
- Methane leak surveying
- Natural gas line inspections
- Regional water quality control plant emissions testing
- Well drilling
- Meter upgrades and installation services
- Water main repair or replacement
- Mail services
- Uniform cleaning services
- Pest management
- Portable restroom services
- Deliveries, including:
    - Utility equipment (e.g. transformers)
    - Powerplant equipment (e.g. turbines)
    - Precast underground concrete vaults, pads, and lids
    - Specialty off-road vehicles
    - Chemicals
    - Meals

The Current Regulatory Text Did Not Explicitly Include All Contracted Fleets

There is a clear distinction between the regulatory provisions impacting vehicle rentals/leases and the new provisions for contracted vehicles. CARB's 2023 rulemaking stated, "It is necessary to set forth who is presumed to be the owner in rental and leasing arrangements because CARB needs to know who is claiming responsibility for compliance of the rented or leased vehicles. It is common practice in the industry to engage in long term lease contracts of more than one year during which the fleets may have full control over the vehicle.... It is necessary to apply this clause to contracts of a year or longer because *rental or leasing entities would not have operational control over vehicles in such agreements*." [5]

As currently written, the Regulation limits the procurement requirement to rented or leased vehicles that a public agency has "full control over" and the rental or leasing entity does not have "operational control over vehicles." Conversely, the proposed addition of "contracted vehicles" fails to address important considerations regarding the public agency's ability to control the contracted-for vehicles. The proposed amendments set forth in the Second 15-day language fail to address how to limit the compliance requirements for contracted vehicles or services – there is no guidance or direction on how much control the public agency has over the vehicle or whether the contractor maintains operational control.

The New Provisions Introduce a Substantial Change to the ACF

The Joint Public Agency Utilities have maintained that it is imperative the ACF rule does not compromise emergency response and electric grid or water systems maintenance. While the Joint Public Agency Utilities hope to address our ongoing concerns with the ACF through a future rulemaking, in collaboration with CARB, we are compelled to acknowledge that the proposed Second 15-day changes is a substantial change to the ACF Regulation not previously noticed and contemplated during the rulemaking and would have significant, adverse impacts as described above.. Despite the characterization of this change as "clarifying," the extent of the changes, especially given the vague and ambiguous nature of the proposed text, exceeds the scope of the fleets previously subject to the ACF procurement requirements. The previous versions of the ACF (both those adopted in 2022 and the 45- and First 15-day version of the 2025 regulation) limit the word "contract" to vehicle purchase agreements or rental/lease agreements. While the regulation does address the hiring of compliant fleets, those provisions are limited to the hiring or dispatch of fleets subject to the ACF, and required verification and reporting of such arrangements. The proposed amendments in the Second 15-day changes goes well beyond this construct, resulting in a marked expansion of the number of vehicles and fleets captured by the ACF. By requiring public agency fleets to take on a new compliance obligation for contracted vehicles, whether or not those vehicles are otherwise subject to the ACF, introduces a new concept that was not previously addressed during the 2023 rulemaking or the 2025 rulemaking to date.

This is in contrast to CARB's Innovative Clean Transit (ICT) regulation, which explicitly included "contracts with another entity to operate buses in California," and included that provision in the initial draft of the regulation posted in 2018.[6] Entities regulated by the ICT were provided clear

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[5] Appendix H1, Purpose and Rationale for State and Local Government Fleet Requirements, page 13 https://ww2.arb.ca.gov/sites/default/files/barcu/regact/2022/acf22/apph1.pdf

[6] CCR 2023 (a)(1)

notice of the proposal to include contracted vehicles during the ICT rulemaking process. CARB also limited the type of contracts subject to the ICT to the operation of buses, but the Second 15-day changes for ACF include no such narrowing in scope.

Because "contracts for the operation of" vehicles was not previously considered in the rulemaking, there has been no real consideration of how many vehicles might be captured by the new contracting provisions, how those contracts would be structured, and what the impacts of the vehicles would be on both the public agencies and the contractors.

Including All Contracted Fleets Will Impose Significant Administrative and Reporting Burdens

The proposed changes in the Second 15-day changes would impose significant administrative burdens on public agencies. While public agencies already keep records of contracts, contracts for services typically don't include details on vehicles used for those services unless the vehicle is being specifically operated by the public agency. For many service contracts, public agencies may oversee the work being done but typically do not specify nor track which vehicles the contractor uses. Even for contracts involving operation and dispatch, the contract does not include vehicle details to the level required within the Truck Regulation Upload, Compliance, and Reporting System (TRUCRS).

In order to meet the new contracted vehicle provisions included in the Second 15-day changes, public agencies will need to review each and every contract that includes "services using vehicles" to assess what the compliance impact will be for the public agency. The process of identifying and collecting information on each contractor's vehicles will add considerable administrative burden for public agencies (with associated cost impacts), not just for reporting for ACF, but in order to determine how those contracts impact the agency's compliance obligation as well as its current and future vehicle procurement plans.

Because the contracted fleets will now impact the public agency's own compliance requirements, the public agency's own purchases of vehicles will be impacted. Vehicle purchase plans and agreements, which are often developed through a multi-year process, will all need to be revisited and revised in light of the resulting expansion of public agency fleets to include contracts. The new contracted fleet provisions place an entirely new compliance burden on public agencies for the vehicles being used by private fleets, which a public agency may have little or no ability to influence or control.

Amendments to the Hiring Compliant Fleets Provisions

The Joint Public Agency Utilities appreciate the clarification of the Hiring Compliant Fleets Section 2049. Unlike the other changes in the Second 15-day changes, which added expansive new requirements, the amendments to Section 2049 clarified that the Hiring Compliant Fleets section applies only to the hiring or dispatch of state and local government fleets. The Joint Public Agency Utilities believe this was already intended by Section 2049, as it only applied to fleets subject to the ACF rule.

The Joint Public Agency Utilities do wish to clarify whether Section 2049 applies to private fleets who hire or dispatch state or local government agencies.

Questions on the Second 15-day Changes

The extent of the new contract provisions is particularly significant, given the potential reach. It is not possible at this time for public agencies to determine the entirety of implications and impact on fleet operations, as multiple interpretations could arise from the 15-day changes. The following is a list of questions that must be answered to allow public agencies to assess the new changes and plan for compliance, and potential impacts of the provisions based on different interpretations of the new provisions.

1. *In the definition of "Fleet Owner," what does "contracts for the operation of" mean, and why is that considered ownership?*

CARB does not provide any specificity in the Second 15-day changes as to what sort of "contracts for the operation of" vehicles is covered by the new provisions. The proposed change is vague and ambiguous and fails to make the necessary distinction between "contracting for the operation of vehicles" versus "contracting for services." This could potentially include any sort of service, such as construction, maintenance, inspections, direct install programs for efficiency and electrification measures benefitting low-income customers, or even package deliveries. These contracts could be for on-going services, for as-needed services, for seasonal services, or services that only occur once. The public agency might be dispatching the vehicles or alternatively may have no control over what vehicles are being operated, by whom, or when. CARB's amendments leave the language broad enough that almost any service that involves a vehicle could be implicated and then places the entire compliance burden upon the public agency.

The definition of "Fleet Owner" states that the owner shall be "presumed" to be the person or entity registered with the DMV, except for specific rentals or lessees or finance leases. The definition clearly contemplates vehicle leases and explicitly defines the responsible party by a specified duration of the agreement with the public agency. The definition goes on to clarify the responsible party for financed vehicles, clearly establishing the entity with compliance responsibility. The proposed amendments in the Second 15-day changes would expand the definition of fleet owner to add a person or entity that "rents, leases, operates, or contracts for the operation of" the vehicles comprising the fleet. However, unlike the existing regulation that clearly defines the responsible entity and "ownership" types, the proposed changes fail to address the specific situation of "contracts for the operation of" vehicles. There are no definitions or parameters around the proposed addition that would clarify the types of arrangements that would be included. If a public agency is contracting with a third party for the operation of the third party's vehicles, operated by the third party, then the public agency will not be the registered owner. Furthermore, unlike the existing regulatory language that clarifies "rented or leased" and the duration of the relationship to clarify the public agency's compliance responsibility under the ACF, the Second 15-day changes include no such clarifying language. There is a disconnect between how ownership is typically treated within the ACF, and the recent addition of "contracts for the operation of" included in the Second 15-day changes.

2. *The definition of "Vehicle purchase" does not include contracted vehicles – is that because a "vehicle purchase" counts towards the procurement requirement when the contracted fleet owner purchases a vehicle, same as if a public agency is purchasing a vehicle? Or are contractors' vehicles deemed part of a public agency's fleet when the public agency enters into a new contract, and treated like new purchases?*

CARB added "contracts for the operation of" vehicles to the fleet definition and fleet owner definition, however, there is no language that clarifies or explains what sort of contracting triggers a procurement requirement obligation, and how that obligation needs to be met. Prior to these amendments, public agencies had to report any purchases or new rentals/leases and then had to demonstrate that at least 50% of those purchases were ZEV or exempt. The proposed amendments fail to address how contracts might impact a public agency's ACF compliance requirements. This lack of clarity in the proposed regulatory text leaves public agencies with no information on how to structure contracts in the future to account for a new ACF requirement on third-party fleets that are otherwise not regulated by the ACF. The ambiguity begs the questions of whether the entire fleet of a contractor is now considered to be new vehicles within a public agency's fleet or whether it is just the contractor's vehicles specifically providing services to the public agency. It is also unclear whether a public agency would only have to report changes to the contractor's fleet.

3. *If a public agency is contracting for the operation of vehicles, and the contractor only has ICE vehicles available, or needs to purchase a new ICE vehicle, is the public agency expected to submit exemption requests on behalf of the contracted fleet?*

Declaring that a contractor's fleet is now part of the public agency's fleet leaves the public agency with an expansive new compliance obligation, without operational control over the contractor's fleet composition. Existing contracts for the operation of vehicles do not include any terms or provisions addressing ACF compliance requirements, as the existing compliance requirements are clearly defined in the definition of "fleet owners" and the explanations related to rental or lease agreements of more than a year. The proposed changes in the Second 15-day changes would require public agency contracts to include provisions addressing ACF compliance obligations for vehicles not within the control of the public agency and fleets outside the scope of the ACF. This would require new or revised contracts, and private firms may not be interested in contracting with a public agency if that results in new ACF requirements being placed on them. This proposed change can interfere with the public process of finalizing contracts and starting work based on the timeline needed for exemptions to be approved. Taken to the extreme interpretation, contracted fleet's vehicles could technically be the public agency's fleets under the proposed changes, meaning that the public agency would be required to report to CARB specifically what vehicles are being operated, and whether or not there is a ZEV option available for fleet vehicles that they neither own nor control.

4. *Is there a minimum length of contract for the operation of a vehicle that is covered by the new contracted language?*

The current definition of fleet owner clearly defines the compliance obligations for rental or leased fleets. The ACF applies only to rental or lease agreements that are at least one year long. However, the definition of "Vehicle Purchase" was not modified to add a time limit for how long a contract for vehicles or vehicles providing services would need to be to be considered as part of a public agency's fleet.

Without any temporal considerations, public agencies would need to report every single contract that involves the use of vehicles as part of the public agency's fleet, even if the contracted work is for only one day. Combined with the requirement to report any changes to our fleets within 30 days, we could be constantly updating our fleet count as contracts start and end, assuming the actual vehicle owner timely provided the necessary information to the public agency. And with that interpretation, there is a lack of clarity on how an annual vehicle purchase requirement would work.

Even applying a one year minimum to the “Vehicle Purchase” definition, public agencies would still be left reporting an overwhelming number of contracts as part of fleets that they do not own, rent, or lease, and ultimately, do not control. Due to the involved procurement process for public agencies, contracts are often structured with a multi-year term, even if the work provided is on an as-needed basis or seasonally. The length of the contract may have little correlation with the actual number of hours and regularity of the services being provided. Further exacerbating the challenge is the fact that the proposed language does not distinguish between contracting for vehicles and contracting for services that include vehicles.

5. *If a private fleet is contracted by multiple public agencies to operate vehicles with overlapping contract terms, would all the contracting public agencies consider the private vehicles part of their fleet?*

Because there are no temporal limits to the contracts being reported for the public agency, there’s a distinct possibility that more than one public agency will be utilizing the same contractor for services during the same timeframe. Based on the overly broad provisions for contracted fleets, public agencies will be left double counting the contractor’s vehicles in their fleet, and both shouldering the compliance burden.

6. *If an existing contract is renewed and includes other amendments beyond the extension of the term, would the contract still be considered a renewal, or would it be considered a new contract?*

The Second 15-day changes would amend the “Vehicle Purchase” definition to specify that renewing a “service contract agreement” would not be considered a vehicle purchase, but, as stated above, does not clarify what sort of contract action would be considered a vehicle purchase. It is not clear whether this provision only applies to renewals of the same exact contract terms, or whether public agencies be able to make other modifications through the renewal process without triggering a new contract.

7. *Are subcontractors included?*

Contracts may include subcontracting for the operation of vehicles. For example, a public utility may order transformers through a contractor, who then subcontracts for the delivery because of the need for specialty delivery trucks. Or, a public utility may contract for the construction of a building and subcontract out for part of the work. It is not clear from the language whether the subcontractors' vehicles would also be considered part of the public agency’s fleet.

8. *Does “contracts for the operation of” vehicles include delivery services?*

If a public agency is contracting for equipment, materials, or lunch, and the contract includes delivery of the contracted item(s), it is not clear whether the delivery vehicle is then considered part of the public agency’s fleet. Without further clarification, the new provisions could inadvertently cause a public agency to need to report for Amazon's entire fleet.

9. *If a privately owned company – e.g., PG&E, SCE, AT&T – requested mutual aid from a public agency, would they face penalties if the public agency wasn't ACF compliant?*

Under Section 2049 for the Hiring of Compliant Fleets, the second 15-day changes clarify that entities only need to verify compliance for entities subject to the ACF, which is currently limited to state and local government agencies. However, the requirements of the provision appear to go beyond just public agencies, and instead tasks any entity either hiring or dispatching a public agency to verify the agency's compliance with the ACF. Based on these provisions, it appears that a privately owned company would need to restrict the dispatch of public agencies for purposes of mutual aid and emergency response to only those public agencies currently in compliance with the ACF, with little or no way to confirm such information in the midst of an emergency.

II. Durable Guidance, in Addition to Ongoing Engagement With Public Agency Utilities, is Needed to Alleviate Implementation Issues and Identify Improvements for a Follow-Up Rulemaking

CARB's stated intent in the Guidance that was posted alongside the Second 15-day changes, and directly communicated with the Joint Public Agency Utilities, to emphasize flexibility, education, and case-by-case support during early ACF implementation, is appreciated and aligns with the collaborative approach needed for such a complex transition. However, the intent is currently conveyed through informal webpage guidance, which lacks the durability and clarity necessary for public agencies to rely on, particularly given that the regulatory text itself remains prescriptive and may still expose public agency utilities to consequences despite good-faith compliance efforts. We respectfully request that CARB formalize this commitment by codifying its enforcement posture through regulatory revisions and a durable, publicly issued enforcement policy to ensure transparency, consistency, and confidence as agencies navigate early implementation of the ACF rule.

Guidance revisions are needed that, at a minimum, clearly state only contracted vehicles under long-term arrangements that are directly operated by the public agency are considered part of the public agency's fleet. Such an approach would be in line with the regulatory requirements for vehicle rentals and leases.

The Joint Public Agency Utilities are committed to maintaining ongoing collaboration with CARB following adoption of the ACF rule, including regular check-ins to discuss implementation progress, challenges encountered, and opportunities for alignment. These engagements would provide a forum to share operational insights, showcase vehicles as appropriate, and facilitate direct, in-person dialogue with CARB staff and fleet subject matter experts. Such continued coordination will help ensure the rule is implemented effectively and efficiently while addressing necessary clarifications and updates based on real-world conditions.

III. Timely Adoption of Improvements that Capture ZEV Market Realities and Address the Intent of AB 1594 is Critical

Public agency utilities remain committed to fleet electrification where feasible. California's public agency utilities are taking aggressive action to advance the state's policy of delivering 100% clean energy by 2045, and are exceeding it in many cases. Several public agency utilities, together with their cities, have already adopted more ambitious timelines that achieve 100% clean energy years ahead of the statewide target. For example, Los Angeles is pursuing a pathway to achieve 100% carbon-free power supply by 2035 through their LA100 Plan. These actions will deliver substantial greenhouse gas (GHG) emissions reductions in furtherance of CARB's objectives. To meet these goals, public agency utilities must carefully balance infrastructure investment, equipment needs, ratepayer affordability, and long-term planning while maintaining flexibility to respond to unforeseen conditions. It is therefore critical that public agency utilities retain access to the full range of vehicles necessary to maintain and enhance electric grid and water system reliability during this transition, support ongoing operations, and effectively respond to emergencies, including wildfires.

This ACF rulemaking was initiated to implement the provisions of AB 1594 (Garcia, 2023) which required the rule to accommodate unique utility operations and emergency response, procurement requirements for vehicles "…needed to maintain reliable service and respond to major foreseeable events, including severe weather, wildfires, natural disasters, and physical attacks, as specified" and recognize that ZEV procurement plans should be "reasonably tailored" for each public agency utility. This rulemaking is particularly important to public agency utilities because it incorporates several changes developed through extensive collaboration with CARB that address implementation and feasibility concerns identified by concerned stakeholders. Many of the revisions included in the First 15-day changes represent meaningful improvements to the regulation, especially those that better support emergency response needs for public electric, water, wastewater, and gas utility fleets, and they demonstrate CARB's willingness to refine the rule based on stakeholder feedback. Notably, the Joint Public Agency Utilities appreciate CARB's decision to delay the 100% ZEV purchase requirements from 2027 to 2030, as this additional time more closely aligns the rule with current market conditions and enables more feasible procurement planning. It is vital that the revised compliance timelines, and several other important improvements included in the First 15-day changes to the ACF rule, are finalized and allowed to take effect in a timely manner.

There are many real-world constraints currently affecting the ZEV market. Recent federal policy shifts have introduced significant uncertainty in ZEV markets, including the expiration of federal EV purchase incentives, the freezing or rollback of key infrastructure and emissions programs, and broader regulatory changes that are expected to slow ZEV adoption nationwide. At the same time, several vehicle manufacturers have delayed, scaled back, or discontinued planned ZEV investments, limiting vehicle innovation, affordability, and availability. These developments underscore the importance of aligning fleet transition requirements with actual market conditions, technological readiness, and sustained policy support, particularly for specialized vehicles that public agency utilities rely on. Ongoing uncertainty related to vehicle availability, delivery timelines, infrastructure readiness, incentive funding, and vehicle maintenance and performance in demanding operational conditions highlights the need for flexibility so that the ACF rule can be implemented in a manner that reflects market realities while supporting the essential public services provided by public agency utilities.

It is therefore critical that CARB timely finalizes regulatory amendments within the timeframe of this rulemaking, and as directed by the Board, to implement the provisions in the First 15-day changes to delay purchase requirements for small and rural fleets, delay the 100% purchase requirement until 2030, and add additional flexibilities in line with AB 1594. However, the substantial expansion of the regulation proposed in the Second 15-day changes poses significant challenges and concerns and should be rescinded in a manner that allows CARB to meet its regulatory timelines for implementing the previously proposed changes. If CARB believes some portion of contracted fleets should be covered by public agencies under the rule, that should be proposed and evaluated with stakeholder input as part of a subsequent rulemaking process.

Given the feedback in this letter, and previous engagement with CARB, we urge CARB to begin a subsequent rulemaking as soon as possible to address our outstanding concerns and before any punitive enforcement actions are contemplated.

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