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<i>Community Development</i> 707-822-5955	<i>Finance</i> 707-822-5951	<i>Engineering</i> 707-825-2128	<i>Transportation</i> 707-822-3775

April 4, 2023

Craig Segall
Deputy Executive Officer
California Air Resources Board
1001 I Street
Sacramento, CA 95814

RE: League of California Cities Comments on the Draft ACF Public Fleets Regulatory Language

The City of Arcata appreciates the opportunity to provide comments on the Advanced Clean Fleets (ACF) draft regulatory language (March 23 iteration) for public fleets as proposed by the California Air Resources Board (CARB). There are several items that we are seeking clarity on. We also have serious concerns about its aggressive timelines, which due to local budget cycles, are simply unattainable.

We are grateful for the collaborative workshops held by CARB to discuss our concerns and for providing feedback on some of our suggestions. While the latest iteration reflects some of the exemptions and extensions that we requested, we remain concerned with the following:

Lack of Price Caps. We recommend that CARB consider imposing price caps to ensure the market responds positively with vehicles at competitive rates. Local governments strive to be good stewards of the taxpayer’s dollars, but without price caps, the proposed regulations may result in zero-emission vehicles that are put to market at an artificially inflated rate. A percentage price cap would potentially prevent manufacturers from manipulating the market and help local governments protect taxpayer resources.

Inventories. We believe that CARB should provide a list of available manufacturers that have market-ready vehicles in the medium- to heavy-duty class sizes, 2B-8. Availability of model/body types of multiple weight classes (and functions) are not confirmed by fleets, but rather by manufacturers informing CARB which models will be available.

Timelines and Public Funding. The proposed regulations continue to impose aggressive timelines for compliance. They do not consider public budgets and funding methods for capital projects. Many local governments follow a two-year budget cycle, and many cities have a five-year capital budget cycle that cannot be easily repurposed at the scale this proposed regulation would require. Requiring compliance to start on Jan. 1, 2024, would require significant and immediate investment from local budgets for the preconstruction that is simply unattainable. Electrifying service yards to support an electrified fleet is a much greater undertaking than a simple electricity panel upgrade or some quick trenching in the parking lot. The time and costs for planning, engineering, and expansion of both the electrical capacity of a facility’s system and the distribution system that feeds it are well beyond the available budget of cities. While savings will eventually manifest from retiring or repurposing internal combustible engine assets,



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they will have no effect on the upfront expenses. For these reasons, we believe that local governments need an extension of at least four years from regulation adoption.

The proposed regulations ignore existing market realities, as well as the time needed to develop and ramp up an infrastructural system that can support an electrified fleet of waste, water, and sewer utility vehicles. If required to comply with the proposed regulation as drafted, the projected infrastructure and fleet costs will add substantial rate increases across multiple public works and utility service departments.

Cities across the state are pursuing robust, environmentally sound strategies to decarbonize their communities. However, this proposed regulatory language does not account for rising utility costs and substantial mandates from multiple regulatory bodies. We urge CARB to consider these impacts to ensure this regulation succeeds without further exacerbating the affordability issues facing many of our cities and residents.

The City of Arcata has a Green Fleet Policy to purchase low-carbon fuel vehicles and strives to transition our fleet purchase-by-purchase, but the reality has been long delivery times and cancelled orders on electric and hybrid vehicles. Our supply chain does not yet support timely procurement of electric and hybrid vehicles and batteries in order for our City fleets to do the work we need to do in our community. Rural jurisdictions do not have the charging infrastructure and market share for private investment to yet create that charging infrastructure. We have experienced this first-hand due to limited electrical transmission capacity within Humboldt County. With facing exponentially long delivery times and lack of infrastructure, more time and investment is needed from the state in our rural areas to transition our heavy-duty vehicles and all our fleets successfully and fully.

Again, thank you for allowing us the opportunity to provide written responses to the proposed Advance Clean Fleets Regulations.

Sincerely,

Sarah Schaefer, Mayor
City of Arcata

cc: League of California Cities (via email: cityletters@calcities.org)
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