

Date

Steven S. Cliff, Ph.D.
Executive Officer
California Air Resources Board
1001 I Street
Sacramento, CA 95814

RE: Request for Exemption from the Zero-Emission Bus (ZEB) Purchase Requirements of the Innovative Clean Transit Regulation Due to Financial Hardship

Dear Dr. Cliff:

The *(transit agency's name)* respectfully submits this request for an annual exemption from the zero-emission bus (ZEB) purchase requirements pursuant to Title 13 of the California Code of Regulations, section 2023.4(c)(5). This provision allows transit agencies to request an exemption from the requirements set forth in section 2023.1(a) when the agency can demonstrate an inability to offset the incremental cost associated with the purchase of zero-emission buses and related infrastructure compared to conventional buses.

The *(transit agency's name)* is a *(small/large)* public transit agency providing essential public transportation services to the counties of *(name of counties)*. The agency remains committed to complying with the Innovative Clean Transit (ICT) regulation and continues to work toward the long-term goal of transitioning to a fully zero-emission bus (ZEB) fleet.

The *(transit agency's name)* plans to place a *(single-year/multi-year)* bus purchase order for a total of *(quantity xx)* buses in calendar year(s) *(choose calendar years 2026-2028)*. Pursuant to section 2023.1(a), at least *(ZEB obligation quantity)* of these buses would be required to be zero-emission. As concluded in Phase 2 of the Comprehensive Review of the Innovative Clean Transit regulation, the capital costs of purchasing zero-emission buses and the associated infrastructure remain significantly higher than those of conventional buses for the calendar years 2026-2028. To offset these higher capital costs, the agency has actively and in good faith pursued all available funding opportunities. These efforts have included, but are not limited to, applications to the Clean Truck and Bus Voucher Incentive projects, the Transit and Intercity Rail Capital Program, the Zero-Emission Transit Capital Program, and other available funding sources.

Despite these efforts, the agency remains unable to fully offset the incremental cost associated with procuring zero-emission buses compared to conventional buses. Financing is not an allowable or approved practice for the agency, as it will incur a

longer-term financial burden. Proceeding with the zero-emission bus procurements during calendar year(s) (*choose calendar years 2026-2028*) would therefore impose unsustainable fiscal pressure on the agency and could jeopardize its ability to maintain existing service level.

Accordingly, the (*transit agency's name*) respectfully requests consideration of an exemption from the applicable zero-emission bus purchase requirements for the calendar year(s) (*choose calendar years 2026-2028*) due to prohibitive external factors beyond the agency's control. The agency acknowledges that the California Air Resources Board (CARB) issues exemption approvals on an annual basis and commits to providing required annual updates regarding its bus purchase plan for future calendar year(s).

Enclosed is the completed financial hardship exemption template, which provides details of the (*transit agency's name*) planned purchases, and supporting documentation demonstrating the agency's inability to offset the higher incremental costs of available zero-emission buses. An electronic copy of this letter and all associated documentation have also submitted to the ICT team at ict@arb.ca.gov.

If you have any questions or would like to discuss this matter in greater detail, please do not hesitate to contact (*contact's name*), (*contact's position*), at (*contact's email address*).

Sincerely,

(*Signature*)

(*Name*)

(*Title*)

(*Transit agency's name*)

Enclosures: (*List of enclosed documents*)