

Todd R. Campbell

Vice President, Public Policy and Regulatory Affairs

July 14, 2025

Chair Liane Randolph California Air Resources Board 1001 I Street Sacramento, CA 95812

Re: <u>Clean Energy Supports the California Air Resources Board's Proposed Amendments to</u> the Advanced Clean Trucks Regulation with a Friendly Amendment

Dear Chair Randolph:

On behalf of Clean Energy, we would like to thank the California Air Resources Board's (CARB) Leadership and Mobile Source Division for the opportunity to comment on the proposed amendments to the Advanced Clean Trucks (ACT) Regulation. Clean Energy's comments are focused on supporting the proposed amendments impacting the Advanced Clean Truck regulation and asks for a minor friendly amendment to include Heavy-Duty Omnibus-compliant engines that are certified at or below 50mg NOx.

About Clean Energy

Clean Energy is the largest provider of renewable natural gas (RNG) for the transportation industry in North America. We produce RNG at dairy farms nationwide and then distribute it through our extensive network of 600+ fueling stations, ensuring convenient access for the 50,000-plus heavy-duty trucks, buses, and large vehicles running on RNG daily.

Clean Energy has been a clean air partner to environmental regulatory agencies at the federal, state and local levels since its founding in 1997, and is an original supporter of California's Low Carbon Fuel Standard (LCFS). We are currently leading a broad coalition of low carbon fuel producers to support the program which is one of the most cost-effective regulations to decarbonize the transportation space.

Clean Energy also continues to make strategic investments in the hydrogen space to support California's transit agencies and other like-minded fleets with the use of RNG-based hydrogen from dairy farms and landfills. By doing so, Clean Energy is helping California achieve its climate and clean air goals.



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Why Amendments Are Necessary to Improve the ACT

Over the past decade, California's leadership and CARB envisioned a series of regulations that would both significantly clean up and ultimately transition the vehicles on California's roads toward a zero-emission future. However, since the adoption of these regulations that aim to clean up California's medium- and heavy-duty vehicle space, a series of federal actions, litigation, and unforeseen compliance strategies adopted by the manufacturers have made it challenging to implement the ACT, particularly in the Class 7-8 tractor group.

While heavy-duty trucks make up less than 3% of the vehicles on California's roads, they emit roughly 35% of transportation-related NOx, a quarter of on-road greenhouse gas emissions, and 80% of carcinogenic diesel soot. Meanwhile, 9 California cities are amongst the country's top 24 most polluted cities for ozone and 7 California cities are amongst the country's top 24 most polluted for particulate matter according to the American Lung Association. Additionally, numerous air basins are out of compliance with the federal Clean Air Act, and two air basins — the South Coast and San Juaquin Valley Air Basins — are in extreme non-attainment for both NOx and PM emissions.

Clearly, California must successfully address heavy-duty truck pollution to protect the public health of Californians, and the proposed amendments will provide greater flexibility to help achieve this goal. The most helpful amendment proposed is the ability to permit manufacturers to offset a portion of deficits generated in the Class 7-8 tractor group with Class 2b-3 or Class 4-8 group ZEV credits for each model year. We would even support CARB allowing manufacturers to offset the entire portion of deficits generated for this group as it would lead to cleaner trucks in California's air, inland, and sea-ports, warehouses, and along our goods movement corridors.

The Problem and Why Clean Energy Supports CARB's Proposed Amendments

In April 2025, CARB reached an agreement with the California Trucking Association (CTA) to place CTA v. CARB (docket no. 2:23-cv-02333) into abeyance while CARB staff presented a proposal to repeal the High-Priority Fleet and Drayage Fleet Requirements of the ACF. CARB also agreed not to enforce the 100% ZEV sales in medium- and heavy-duty categories beginning with model year 2036 until CARB obtains a federal Clean Air Act preemption waiver. That said, CARB still can enforce the ACF on all public fleets (transit, state and local government fleets,

¹ <u>lung.org/research/sota/city-rankings/most-polluted-cities</u>



etc.) if it chooses. It is our understanding that this is the direction that CARB intends to proceed.

Withdrawal of the ACF waiver request and the CTA agreement, however, will certainly impact the successful implementation of ZEV adoption of California's public fleet purchases under the current regulation's timetable, as the ACT anticipated a higher volume of ZEV purchases and supportive power and infrastructure investments made by the private sector and Clean Air Act Section 177 states. Removal of the ACF regulatory obligation on these fleets will unavoidably impact the implementation pace for ACT regardless of a future court decision on California's complaint filed against US EPA, Administrator Lee Zeldin, and President Trump on June 12, 2025. This is why we believe CARB must adopt the proposed amendments and should also consider one additional modification to the newly proposed definition of Near Zero: Heavy-Duty Omnibus-compliant trucks.

ACT Would Benefit from Expanding the Near Zero Definition to Include Omnibus Compliant Engines

While we believe the proposed modifications to lower the minimum all-electric range threshold from 75 to 45 miles under Section 1962.2(b)(2) should improve NZEV participation under the ACT, we urge CARB to also consider the inclusion of Heavy-Duty Omnibus-compliant trucks certified at or below 50mg NOx to help California meet its clean transportation goals. Here are several reasons why we think this expanded NZEV definition will help the ACT.

California Truck Sales are Down 60-80% this Year at Local Dealerships

Truck engine manufacturers, who are held strictly liable under the ACT to sell a set percentage of ZEVs each year, now face reduced private fleet customer demand for ZEVs to help offset Heavy-Duty Omnibus sales. Therefore, very few trucks certified to CARB's Heavy-Duty Omnibus standard are being sold into California, especially for the Class 7-8 tractor group. For example, out of approximately 760 X15N Omnibus-compliant trucks ordered or delivered since Cummins' engine launch, only 125 units are scheduled to be deployed in California. All other X15N units (85%) sold and running on RNG are being delivered to other states throughout the country.

ACT's current inflexibility mixed with regulatory and economic uncertainty is why California truck sales are down 60-80% for the year. Under the current environment, private fleets are opting to import compliant out-of-state legacy diesel trucks or purchase compliant used diesel



trucks from other California fleets. This is not the outcome that CARB envisioned for either the ACT or the Heavy-Duty Omnibus regulations. Therefore, the inclusion of Omnibus-compliant trucks in the Near Zero definition would help further prevent the purchase of legacy trucks by private fleets to meet their expanding fleet needs.

Heavy-Duty Omnibus Compliant Trucks Deliver Significant Emissions Reductions

Due to CARB's leadership, the cleanest available ICE trucks on the road today are those that are certified to the Heavy-Duty Omnibus 50 milligram standard for NOx, especially if they also operate on renewable fuels like RNG. According to Energy Visions March 2025 report, *A Path to a Healthier America: Ditching Older Diesel Trucks*², RNG trucks deliver 88% of the benefits of electric vehicles. Further, a more recent report³ by UC Riverside's Center for Environmental Research and Technology goes even further in stating the benefits of a complete transition to zero emissions after 2027 would only provide an additional 5.1% emissions reduction. It is for these reasons and more that we believe CARB should further encourage the adoption of this technology while ZEV platforms and supporting infrastructure develop over time.

Advanced Technology Partial Zero Emission Vehicle Precedent

In the earlier stages of the light-duty passenger ZEV regulation, natural gas vehicles enjoyed an Advanced Technology Partial Zero Emission Vehicle (ATPZEV) credit as they helped to advance Fuel Cell Electric Vehicles (FCEV) fuel storage and delivery. We still believe this is the case for heavy-duty truck operations. Further, the successful distribution of RNG in the transportation space for Omnibus-compliant trucks will help develop renewable hydrogen fueling structure as California makes its transition over time toward ZEVs.

The Need for Affordability Supports A Broader NZEV Definition

While California's largest private fleets continue to show leadership by investing in a whole range of clean vehicle strategies, smaller fleets are more challenged economically to fully participate in ZEV strategies. By making it easier to put a small fleet driver into a cleaner option, not only does the driver benefit, but the surrounding community benefits for which the

² https://energy-vision.org/pdf/ditching-diesel.pdf

³ https://www.sciencedirect.com/science/article/abs/pii/S0048969725014226?via%3Dihub



fleet is based. We therefore ask that CARB consider a pathway for all fleets of any size to be able to participate in a cleaner option than a legacy engine.

Concluding Remarks

Clean Energy would like to thank CARB staff for the opportunity to weigh in on these important proposed amendments to the ACT. Clean Energy is very supportive of the proposed amendments and requests that CARB consider making a small expansion of the NZEV definition. This important modification can provide more flexibility to help California's fleets make a cleaner choice on their next medium- and heavy-duty truck purchase.

Sincerely,

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