

Appendix H-1

Purpose and Rationale for State and Local Government Fleet Requirements

Advanced Clean Fleets Regulation

California Air Resources Board

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Section 2013. State and Local Government Fleet Applicability, Definitions, and General Requirements

Purpose

The purpose of this section is to describe the requirements for state and local government fleets, to identify types of State and local government fleets that are subject to the requirements and which State and local government fleets are excluded, to set forth definitions for various terms used throughout the regulation text, and to describe the general reporting requirements for State and local government fleets subject to the proposed Advanced Clean Fleets (ACF) regulation.

Rationale

This section is necessary to identify all regulated entities and vehicles responsible for complying with the proposed ACF regulation. It is important to establish the responsible entities to ensure success in maximizing emissions reductions by transitioning affected entity fleets to zero-emissions vehicles. It is necessary to identify all excluded entities and vehicles to prevent unintended vehicles or entities from complying with the proposed requirements. Defining the various terms used in the proposed language is necessary to avoid misinterpretation of regulation terms. Setting forth the general requirements is necessary to inform regulated parties of the proposed ACF regulation's compliance requirements.

To achieve California's climate change goals, the California Air Resources Board (CARB) must maximize efforts to increase fleet deployment of ZEVs statewide. Executive Order N-79-20 set a state goal to transition the State's fleet of medium- and heavy-duty vehicles to zero emission vehicles (ZEVs) by 2045, where feasible.

Section 2013(a)(1). Scope and Applicability

Purpose

The purpose of this section is to identify the regulated parties as any State or local government agency that owns, leases, or operates a vehicle with manufacturer's GVWR greater than 8,500 lbs. as defined in section 2013(b)(28). This proposed ACF regulation does not apply to federal fleets subject to title 13, California Code of Regulations (CCR) section 2015. Vehicles listed as exempt in section 2013(c) are not included in the scope.

Rationale

This section is necessary to establish the regulated parties subject to the State and local government fleet requirements. State and local government fleets own and operate over 125,000 medium- and heavy-duty vehicles and transitioning this fleet to ZEVs will substantially reduce their contribution to local and global emissions. In addition, CARB's Resolution 20-19 set a clear goal to transition all government fleet vehicles to ZEVs by 2035 and should take the lead in the transition.

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This proposed ACF regulation is intended to reduce emissions from vehicles manufactured and sold into California, and to accelerate the demand for zero emission (ZE) technologies in the medium- and heavy-duty vehicle sectors.

This section is also necessary to set forth the types of vehicles subject to the regulation requirements. It is necessary to include vehicles operated in California in the scope as they impact localized air pollution and disadvantaged communities. Medium- and heavy-duty vehicles are responsible for much of California's criteria pollutant and GHG emissions, and many are concentrated around warehouse and freight corridors that disproportionately impact emissions in disadvantaged communities.

Section 2013(a)(2). Scope and Applicability, Hiring Entities

Purpose

The purpose of this section is to establish the applicability of the proposed ACF regulation requirements on hiring entities. The section requires compliance with the proposed ACF regulation's requirements when hiring any motor carrier, broker, governmental agency, person, or entity that hires and operates or hires and directs the operation of vehicles in fleets subject to title 13, CCR sections 2014 through 2014.3, title 13, CCR sections 2015 through 2015.6, or fleets and vehicles in fleets subject to this regulation per the scope and applicability of section 2013(a)(1).

Rationale

This section is necessary to set forth the entities required to comply with the proposed ACF regulation's hiring requirements, to provide another enforcement tool, and to improve compliance with the regulation. It is necessary to include motor carriers, brokers, governmental agencies, persons, or entities because all of these are entities that can hire fleets.

Requiring that the entities are hiring and operating or hiring and directing the operation of vehicles is necessary because entities that operate or direct vehicles have direct control over the types of fleets and vehicles hired. For hiring entities, this section maintains consistency with the Truck and Bus regulation that has the same type of requirements for fleets that remain subject to the Truck and Bus regulation if not within the scope of the proposed ACF regulation.

It is necessary to specify that hiring entities are only required to comply when hiring fleets subject to the proposed ACF regulation because other CARB regulations already have similar hiring requirements. If the requirement were excluded from the proposed ACF regulation, it would be difficult for the hiring entity to know whether to check compliance because it would not know if a fleet is subject to the proposed ACF regulation or the existing Truck and Bus regulation.

Section 2013(b). Definitions

Purpose

The purpose of this section is to set forth definitions for terms used in the State and local government fleets requirement and identifies the sections for which the definitions apply.

Rationale

This section is necessary to set forth definitions for terms used throughout the regulation.

“Authorized dealer”

Purpose

The purpose of this definition is to define "authorized dealer" as a sales, service, or repair facility that is recognized by a motor vehicle manufacturer as a sales representative or is authorized and capable of performing repairs to factory specifications, including warranty repair work.

Rationale

This definition is necessary to set forth the meaning of an authorized dealer to validate vehicle purchases only if made from an authorized dealer, commonly recognized by industry. Verification of the ability to perform repair work under warranty is necessary for the sake of excluding dealers that are not authorized to ensure purchased vehicles and emissions systems are fully compliant with original equipment manufacturer specifications. This is necessary to ensure fleets meet the requirements by purchasing ZEVs from authorized dealers of the ZEV manufacturer.

“Backup vehicle”

Purpose

The purpose of this definition is to define "backup vehicle" as a vehicle, excluding yard tractors, that is operated infrequently as specified in section 2013.1(a).

Rationale

This definition is necessary to establish a definition of a backup vehicle for regulated entities to identify which of their vehicles can be designated as backup and are excluded from requirements to upgrade to ZEVs.

Yard tractors are excluded from the definition as they typically operate for low annual miles with a high number of hours and significant emissions. Most yard tractors have hour meters as opposed to odometers. Due to operations with high hours and low mileage, yard tractors should not be exempt and are highly suitable for electrification as they typically operate

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within warehouses and freight facilities, which are often concentrated around disadvantaged communities. As a result, electrification of these vehicles would ensure emissions benefits in those areas.

“Box truck”

Purpose

The purpose of this definition is to define "box truck" as a single-unit vehicle with a fully- or partially-enclosed space with a roof and at least three sides designed for transporting cargo or payload, excluding the driver and passengers. Examples of included vehicles are those commonly referred to as step vans, refrigerated vans, dry vans, chipper trucks, and box reefer trucks.

Rationale

This definition is necessary to provide a description of a box truck so fleet owners can differentiate between various vehicle types commonly understood by industry when reporting. The description selected is supported by market research into vehicle body manufacturers.¹

“Broker”

Purpose

The purpose of this definition is to define “broker” to mean any person that, as a principal or agent, sells, offers for sale, negotiates for, or holds itself out by solicitation, advertisement, or otherwise as selling, providing, or arranging for, transportation by motor carrier for compensation. A motor carrier, or person who is an employee or bona fide agent of a carrier, is not a broker when it arranges or offers to arrange the transportation of shipments which it is authorized to transport and which it has accepted and legally bound itself to transport.

Rationale

This definition is necessary to set forth the entities required to comply with the regulation’s hiring requirements. It is necessary to include motor carriers, brokers, governmental agencies, persons, or entities because all of these are entities that can hire and direct fleets.

This definition is also selected to be consistent with other existing CARB regulations that define “broker” for purposes of hiring requirements to align the proposed ACF regulation with other fleet regulations and to maintain consistency in fleet education and enforcement.

¹ SpecialtyResearch.net, *Truck Body Manufacturing in North America*, June 15, 2018 (weblink: <https://www.specialtyresearch.net/>, last accessed April 2022).

“Bus”

Purpose

The purpose of this definition is to define "bus" as any vehicle designed, used, or maintained for carrying more than ten persons, including the driver, and is configured with seats for the primary purpose of transporting persons including the driver.

Rationale

This definition is necessary to provide a description of a bus so fleet owners can differentiate between various vehicle types commonly known as vans or shuttles when reporting or assessing commercial availability. The description selected is supported by market research into vehicle body manufacturers.²

“California fleet”

Purpose

The purpose of this definition is to define “California fleet” to mean the subset of vehicles in the total fleet operated by a fleet owner in California during a calendar year. If a vehicle is operated in California at any time during a calendar year, it will be considered part of the California fleet for the entire calendar year.

Rationale

This definition is necessary to establish a definition for the term “California fleet” which is used for determining which vehicles must be brought into compliance and have emissions impacts in California. Designating the California fleet as the subset of the total fleet of vehicles operated in the state is necessary to address vehicles that are directed into and out of California and impact emissions in the state. The requirement that all vehicles be counted makes it straight forward to identify vehicles that physically operate in California for enforcement purposes. Interstate fleets have the ability to manage their fleet of trucks that come to California.

If vehicles were only counted when a mileage threshold for miles travelled in California were met, it would result in a loophole for fleet owners to send in different trucks during the year to remain below the mileage thresholds and to be excluded from being counted in the regulated fleet size. This would create an additional administrative burden to track mileage inside California for each truck and would create an unfair advantage for out of state fleets compared to instate fleets, and would make it difficult to determine whether the truck should be counted in the fleet if inspected or seen in California. It would also reduce the total number of ZEVs and would reduce the expected emissions benefits.

² SpecialtyResearch.net, *Truck Body Manufacturing in North America*, June 15, 2018 (weblink: <https://www.specialtyresearch.net/>, last accessed April 2022).

"CARB"

Purpose

The purpose of this definition is to define "CARB" to mean the acronym for the California Air Resources Board.

Rationale

This definition is necessary to identify the governing body for reporting and recordkeeping requirements, applications for exemptions or extensions, and for enforcement. CARB has been granted the authority to develop and adopt this proposed ACF regulation, and if adopted, CARB staff will implement and enforce it.

"Class 2b through 3", "Class 4", "Class 5", "Class 6", "Class 7", "Class 8"

Purpose

The purpose of this definition is to define each vehicle weight class category by gross vehicle weight rating. "Class 2b-3" means a vehicle with a GVWR that is 8,501 lbs. up to 14,000 lbs. "Class 4" means a vehicle with a GVWR greater than 14,000 and less than or equal to 16,000 lbs. "Class 5" means a vehicle with a GVWR greater than 16,000 and less than or equal to 19,500 lbs. "Class 6" means a vehicle with a GVWR greater than 19,500 and less than or equal to 26,000 lbs. "Class 7" means a vehicle with a GVWR greater than 26,000 and less than or equal to 33,000 lbs. "Class 8" means a vehicle with a GVWR greater than 33,000 lbs.

Rationale

This definition is necessary to distinguish the different vehicle classes because the weight class is an indicator of vehicle size, type, and function, and are terms commonly used by industry to differentiate vehicles by GVWR. The definition is necessary because the weight range varies slightly depending on the source. Vehicle class distinction is necessary for reporting purposes and for identifying vehicles that may utilize exemptions or extensions.

"Configuration"

Purpose

The purpose of this definition is to define "configuration" to mean the primary intended function for which a vehicle is designed as determined by the body of a complete vehicle or by the equipment integrated into the body that is permanently attached to the chassis. It does not include auxiliary equipment or secondary uses of equipment that is added to or carried on the vehicle body.

Rationale

This definition is necessary to identify what is meant by configuration in terms of vehicle body type. A drivetrain along with a cab and chassis is typically fitted with a body and will be finished into one of many final configurations depending on use. For example, the incomplete chassis is built-out or 'upfitted' to a final configuration intended to function as a box truck, construction truck, dump truck, refuse truck, school bus, etc. It is necessary to exclude add-on or auxiliary equipment because these are variable items typically added as aftermarket parts and have no bearing on whether the vehicle configuration is available as a ZEV.

"Declared emergency event"

Purpose

The purpose of this definition is to define "declared emergency event" as the time period of an emergency event declared or duly proclaimed by a local governing body, state Governor, or the President of the United States during the emergency conditions described in California Government Code section 8558.

Rational

This definition is necessary to establish a period of time during which vehicles may operate in emergency support operations and are excused from immediate compliance as specified in the regulation. It is necessary to specify that emergencies must be declared events by the U.S. President, a state Governor, or other local governing body because those are the entities that have authority to declare such events. The list of event types points to existing California Government Code definitions for various conditions of emergency for simplicity and to align with existing definitions. Events that occur routinely, are scheduled maintenance activities to prevent potential emergencies, are not included because they are planned daily operations that are part of normal practices or services, and should not be exempt due to foreseeable occurrences.

The duration of each declared emergency is unique and cannot be predicted in advance and the period of time vehicles need to be used to respond to emergencies is established in the declaration or in supporting contracts in response to the declaration. The intent of provisions relying on this definition are to alleviate immediate threats to public safety while establishing a specific time period when the emergency operations have ended for each unique event.

"Dedicated snow removal vehicle"

Purpose

The purpose of this definition is to define "dedicated snow removal vehicle" as a vehicle that has permanently affixed snow removal equipment such as a snow blower or auger, and is operated exclusively to remove snow from public roads, private roads, or other paths to allow on-road vehicle access.

Rationale

This definition is necessary to establish a definition of a dedicated snow removal vehicle and identify these vehicles as exempt. It is necessary to only include vehicles with permanently affixed snow removal equipment exclusively removing snow because those vehicles are fairly uncommon, and purpose built in low volumes used exclusively for snow removal in relatively short periods of time. Other vehicles with removable equipment are repurposed for other routine uses throughout the year, have a higher impact on emissions and fuel use, and should not receive the same consideration.

“Designated low population counties”

Purpose

The purpose of this definition is to identify the counties of Alpine, Amador, Butte, Calaveras, Colusa, Del Norte, Glenn, Humboldt, Inyo, Lake, Lassen, Mariposa, Mendocino, Modoc, Mono, Nevada, Plumas, Shasta, Sierra, Siskiyou, Sutter, Tehama, Trinity, Tuolumne, and Yuba in California as designated low population for purposes of the State and local government fleets requirements.

Rationale

This definition is necessary to set forth the counties that are considered designated low population. State and local government agencies whose jurisdiction is solely in a designated low population county have later start date requirements. Low population counties were selected by CARB as those with less than 125,000 residents in 2021 per the 2020 U.S. Census results.³ This number was selected to include counties with unique challenges and less air quality issues. Other counties with populations above the threshold were added, including Butte, Humboldt, and Shasta, and San Benito was removed for geographic continuity of the designated counties.

These counties typically include agencies in remote areas or mountainous terrain where infrastructure is less likely to be placed in the early years of the regulation due to lower population density and could have challenges getting power capacity at those locations. Additionally, agencies in these locations tend to have smaller fleets with less flexibility in choosing where to place electric vehicles in service.

Staff recognizes that air quality problems are less severe in some parts of California. Most of these counties are in attainment of the federal ozone and PM ambient air quality standards, and agencies operating in them do not contribute to downwind exceedances of the State or federal ozone and PM standards.

³ United States Census Bureau, [California: 2020 Census](https://www.census.gov/library/stories/state-by-state/california-population-change-between-census-decade.html), 2020. (web link: <https://www.census.gov/library/stories/state-by-state/california-population-change-between-census-decade.html>, last accessed June 2022).

“Dispatch”

Purpose

The purpose of this definition is to define "dispatch" as meaning to provide direction or instruction for routing a vehicle, whether owned or under contract, to specified destinations for specific purposes, including delivering cargo, passengers, property or goods, or providing a service.

Rationale

This definition is necessary because it defines the action that links the motor carrier to the truck moving the cargo. Motor carriers and entities may dispatch truck operators and it is critical that motor carriers only dispatch compliant vehicles.

“Emergency operations”

Purpose

The purpose of this definition is to define "emergency operation" as the operation of an emergency support vehicle to help alleviate an immediate threat to public health or safety in response to a declared emergency event. Emergency operation includes emergency support vehicle travel to and from a declared emergency event when dispatched by a local, state, federal, or other responsible emergency management agency. Routine operation to prevent public health risks does not constitute emergency operation.

Rationale

This definition is necessary to set forth the circumstances during which authorized emergency support vehicles, in addition to vehicles claiming exemptions for emergency use, can provide emergency response services.

It is necessary to limit operations to alleviating immediate threats to public health or safety and only when responding to declared emergency events because many fleets have emergencies, they routinely respond within their normal service territories. The intent of this definition is to limit operations to extraordinary circumstances to enable nimble response to major declared emergencies, not to cover issues that fleets deal with on a daily basis, nor to cover emergency prevention service.

Including vehicle travel to and from an event when dispatched by local, state, or federal agencies is necessary because the vehicles may need to travel some distance to assist with the event and it would potentially be impractical to transport all vehicles in a rapid response situation.

“Emergency support vehicle”

Purpose

The purpose of this definition is to define an “emergency support vehicle” as a vehicle other than an authorized emergency vehicle as defined in California Vehicle Code (CVC) section 165 that has been dispatched by a local, state, or federal agency that is used in emergency operations.

Rationale

This definition is necessary to establish a definition of an emergency support vehicle for the purposes of regulated entities identifying which vehicles can be dispatched to provide transport services or supplies in connection with an emergency. The definition is also necessary as it applies to exemptions contained within the proposed ACF regulation and extends to related reporting and recordkeeping requirements.

“Energy storage system”

Purpose

The purpose of this definition is to define an “energy storage system” to mean a system that is designed to store energy on a ZEV or NZEV, such as the battery pack or hydrogen storage tank.

Purpose

This definition is necessary to establish a definition for energy storage system, as it is used in determining qualification for exemptions. ZEVs can have battery packs or hydrogen storage tanks and may have other energy storage mechanisms such as flywheels or capacitors.

“Executive Officer”

Purpose

The purpose of this definition is to define “Executive Officer” as the Executive Officer of CARB or delegated representative.

Rationale

This definition is necessary to establish which Executive Officer is being referenced throughout the proposed ACF regulation. The CARB Executive Officer can grant exemptions to vehicles and request records from regulated entities. These authorities associated with this role necessitates a specific definition.

“Federal fleet”

Purpose

The purpose of this definition is to define "federal fleet" as vehicles owned by a department, agency, or instrumentality of the federal government of the United States of America and its departments, divisions, public corporations, or public agencies that operate in California. With respect to the Department of Defense and its service branches, federal fleets may be managed regionally, locally, or a combination of regional and local management. There may be multiple federal fleets within a branch of military service or an installation.

Rationale

This definition is necessary to establish which vehicles are classified as part of the federal fleet. It is necessary to list the types of divisions of the United States government that would be included if operating in California because it is a large entity with many subdivisions and many fleets owned by various subdivisions. Vehicles operated in California contribute to local air pollution, climate pollution, and have outsized impacts in disadvantaged communities.

The Department of Defense has multiple fleets under their authority and it is necessary to establish how said fleets may be managed or combined for purposes of compliance with the proposed requirements.

“Fleet” or “total fleet”

Purpose

The purpose of this definition is to define "fleet" as one or more vehicles owned by a fleet owner or under common ownership or control of a controlling party. It also includes rental or leased vehicles that are considered owned by the fleet owner as defined in section 2013(b).

Rationale

This definition is necessary to establish which vehicles are included when using the term "fleet" throughout the proposed ACF regulation. This definition is based on the "fleet" definition currently being used in existing regulations for consistency. This definition encompasses all vehicles, including those outside of California, because the total fleet size is an indicator of a fleet's ability to make the needed capital investments to transition to ZEVs.

“Fleet owner”

Purpose

The purpose of this definition is to define "fleet owner" as the person or entity that owns the vehicles comprising the fleet. The owner shall be presumed to be either the person registered with the California DMV as the owner or lessee of a vehicle, or its equivalent in

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another state, province, or country. Vehicle ownership is based on the vehicle registration document or the vehicle title with some exceptions, specified below.

For vehicles that are owned by the government, the owner shall be the department, agency, branch, or other entity of the government to which the vehicles in the fleet are assigned or which has responsibility for maintenance of the vehicles.

For vehicles that are rented or leased from a business that is regularly engaged in the trade or business of renting or leasing motor vehicles without drivers, including truck leases that are part of a bundled service agreement, the owner shall be presumed to be the rental or leasing entity for purposes of compliance, unless the rental or lease agreement for the vehicle is for a period of one year or longer and the terms of the rental or lease agreement or other equally reliable evidence identifies the renting operator or lessee of the vehicle as the party responsible for compliance with state laws.

For purposes of enforcement, if the vehicle is inspected and cited for noncompliance with this regulation and neither the operator of the vehicle nor the rental or leasing entity can produce evidence of the party responsible for compliance with state laws, the owner shall be presumed to be both the rental or leasing entity and the renting operator or lessee of the vehicle.

A financing company or a person that only provides financing to a third party in the form of "finance leases," as defined in California Uniform Commercial Code Section 10103(a)(7), is not considered to own the vehicles that are financed. Similarly, a financing company or a person that only provides financing to a third party for powertrain retrofits is not considered to be the owner of the vehicle.

Rationale

This definition is necessary to establish the party responsible for meeting the proposed requirements. It is necessary to set forth who is presumed to own a vehicle by using DMV or other equivalent registration because owners typically register vehicles in their own name or in the name of the company for which the vehicle will work.

Assigned division or maintenance responsibility are reliable and easy to identify methods by which CARB can identify the fleet owner of such vehicles.

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. For example, Truck-as-a-Service business models could lease zero-emission trucks, infrastructure, parking space, and other services as part of a packaged bundle for fleets to lease for multi-year agreements. In those cases, CARB needs to be able to identify who is responsible for compliance with state law, necessitating the clause requiring the contract specify clearly who is responsible in long term lease contracts. 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.

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The ability to take enforcement action against both the rental or leasing entity and the operator or lessee is necessary for situations where the responsible party cannot be determined because it offers a fail-safe. If neither party is taking responsibility for the vehicle, CARB can take enforcement action against both parties.

Owners of finance leases or powertrain retrofit financiers are necessary to exclude from being considered fleet owners because they do not have any operational control over the vehicle, and therefore cannot be expected to comply with the proposed requirements.

“Gross vehicle weight rating”

Purpose

The purpose of this definition is to define "gross vehicle weight rating" or "GVWR" as the same as California Vehicle Code (CVC) section 350, as indicated by the characters in the 4-8 positions in a standard 17-character Vehicle Identification Number (VIN).

Rationale

This definition is necessary because it identifies the specific vehicle weights that are subject to the proposed ACF regulation. The GVWR definition in the California Vehicle Code is chosen to be consistent with commonly used definitions of GVWR.

“Historical vehicle”

Purpose

The purpose of this definition is to define "historical vehicle" as a vehicle that meets the qualifications for a historical vehicle and has been issued a historical vehicle license plate pursuant to the CVC section 5004, and is operated or moved over the highway primarily for the purpose of historical exhibition or other historic vehicle club activities.

Rationale

This definition is necessary to define what is considered a historical vehicle for the vehicle to be exempted from the requirements. The definition was selected to be consistent with existing CVC definitions and requirements for historical vehicles. The requirement that the vehicle only be operated or moved over highway for the purpose of historical exhibition or club activities is necessary to ensure historical vehicles are not used for commercial purposes where they would have a significant impact on emissions.

“Hubodometer”

Purpose

The purpose of this definition is to define "hubodometer" as a non-resettable device mounted on the axle of a vehicle that measures distance traveled that has a serial number and a lock-out feature that permanently prevents tampering.

Rationale

This definition is necessary to define a hubodometer as it applies to the vehicle information fleets are required to report, which includes odometer readings. If a vehicle's odometer is not functional, the serial number from a hubodometer with a non-resettable odometer is required to be reported in addition to its readings. It is necessary that the hubodometer have a serial number and lock-out features to enhance enforceability of requirements based on vehicle mileage.

“Internal combustion engine vehicle” or “ICE vehicle”

Purpose

The purpose of this definition is to define "internal combustion engine vehicle" or "ICE vehicle" as a vehicle with a powertrain powered by gasoline, diesel, natural gas, propane, or other fuel where the sole source of power is from the combustion of the on-board fuel to provide motive power.

Rationale

This definition is necessary to establish the definition of an internal combustion engine vehicle because the proposed ACF regulation includes limited exemptions and exclusions to operate or purchase ICE vehicles, including situations where ZEVs or near zero emission vehicles (NZEVs) are not commercially available in certain body configurations, available ZEVs would not meet a fleet's daily needs, for backup vehicles that operate less than 1,000 total miles per year, and for authorized emergency use purposes. The description chosen is necessary because combustion of fuel onboard fuel to provide motive power is a necessary condition for a vehicle to be considered an ICE vehicle.

“Lessee”

Purpose

The purpose of this definition is to define "Lessee" to have the same meaning as in CVC section 371.

Rationale

This definition is necessary to establish a definition of a lessee because the lessee of a truck is considered a truck owner and will be responsible for compliance with this proposed ACF regulation if the leasing contract specifies that the lessee is responsible for compliance and the contract is for more than one year. The CVC definition was selected to be consistent with already established definitions in the state Vehicle Code.

“Manufacturer”

Purpose

The purpose of this definition is to define "manufacturer" as any entity or person who manufactures or assembles new on-road motor vehicles or yard tractors, or imports such vehicles for resale, or who acts for and is under the control of any such person in connection with the distribution of new motor vehicles but shall not include any dealer with respect to new motor vehicles received in commerce. In general, the term manufacturer includes any entity or person who manufactures or assembles an on-road vehicle, a cab and chassis, or other incomplete on-road vehicle for sale in California, or otherwise introduces a new on-road motor vehicle into commerce in California. This includes importers who import on-road vehicles for resale. This does not include entities or persons who supply parts to the importer or vehicle manufacturer of record.

Rationale

This definition is necessary to describe what a manufacturer is in order to limit the scope of the regulations to only affect intended parties. The definition closely aligns with existing regulations for consistency. Dealers are excluded because they do not manufacture vehicles but may be construed as representing a manufacturer and are a point of sale. Importers of vehicles for resale are included to minimize the potential for importers to gain a competitive advantage and to guard against manufacturers from circumventing the requirements by passing vehicles for sale in California through another entity to artificially reduce compliance obligations.

“Model year”

Purpose

The purpose of this definition is to define "model year" as a designation meeting the definition of "model year" under title 17, CCR section 95662(a)(16).

Rationale

This definition is necessary to inform fleet owners when reporting purchased vehicles what the model year is defined as. The definition was selected to be consistent with the definition of model year as defined in CARB's Phase 2 Greenhouse Gas regulation.

“Motor carrier”

Purpose

The purpose of this definition is to define "motor carrier" as the same as defined in CVC section 408.

Rationale

This definition is necessary to establish a definition for “motor carrier” because some requirements and definitions are only applicable to motor carriers. The motor carrier definition in the CVC was chosen to be consistent with commonly used definitions of motor carrier.

“Near-zero-emissions vehicle” or “NZEV”

Purpose

The purpose of this definition is to define "near-zero-emissions vehicle" or "NZEV" as a vehicle as defined in title 13, CCR section 1963(c)(16) that is capable of operating like a ZEV using electricity stored on-board the vehicle for a minimum number of miles, or “all-electric range”, as specified and tested in accordance with section 1037.150p(2)(ii) of “California Greenhouse Gas Exhaust Emission Standards and Test Procedures for 2014 and Subsequent Model Heavy-Duty Vehicles,” as last amended September 9, 2021, which is incorporated by reference herein.

Rationale

This definition is necessary to establish which vehicles may be counted to claim NZEV credits to comply with the requirements. The definition was selected to be consistent with CARB’s Advanced Clean Trucks and California Phase 2 Greenhouse Gas regulations, which set requirements on all-electric range and test procedures for determining all-electric range. However, this definition is broader than the California Phase 2 GHG definition for plug-in hybrid electric vehicles because it also includes vehicles with the same minimum all electric range but can be charged without a plug from an external source such as wireless charging or catenary systems.

NZEVs are considered a bridge technology which will help the development of the full ZEV market by electrifying sectors not well suited to full electrification and supporting the ZEV supply chain. Conventional hybrid technologies have been commercially available in the heavy-duty sector for over a decade at this point, and other regulations including the California Phase 2 GHG regulation already incentivize their purchase and use. Because the objective of the proposed ACF regulation is to foster the deployment of ZE technologies, hybrid vehicles without ZE capability are not sufficient to meet the regulation’s goals. Staff is allowing these near-zero-emission plug-in hybrids to count as a ZEV for a limited period of time.

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Additionally, the definition of “near-zero-emission vehicle” used in the proposed ACF regulation and the existing ACT regulation applies to 2024 and later model years when all new engines sold are expected to have significantly lower emissions as required by the Heavy-Duty Omnibus regulation. At that point, it is not meaningful to include solely combustion-powered vehicles in the definition of NZEV as all new ICE vehicles sold in California will simply meet the new standards and certification requirements.

“New vehicle”

Purpose

The purpose of this definition is to define “new motor vehicle” as a motor vehicle, the equitable or legal title to which has never been transferred to an ultimate purchaser.

Rationale

This definition is necessary to establish what is meant by the term “new vehicle” throughout the regulation and is necessary to differentiate from vehicles that are not new.

“Notice to proceed”

Purpose

The purpose of this definition is to define “notice to proceed” as a written direction to a vehicle manufacturer or powertrain conversion installer or to commence production or conversion of a vehicle as provided in a contract.

Rationale

This definition is necessary to establish a definition for the “notice to proceed” that certain fleets must supply as proof of a vehicle addition to the fleet. The definition chosen is a commonly understood term used in industry as the official written instruction to a contractor that a project timeline can officially begin; this carries over to instructing manufacturers to produce contractually agreed upon vehicles. It is an official document CARB can use to implement and enforce requirements.

“Pickup truck”

Purpose

The purpose of this definition is to define “pickup truck” means a vehicle originally manufactured as a complete vehicle with an open box-type bed and meets the definition set forth in CVC section 471.

Rationale

This definition is necessary to provide a description of a pickup truck so fleet owners can differentiate between various vehicle types commonly understood by industry when reporting or assessing commercial availability. The definition was selected to be consistent with existing definition for pickup trucks in the CVC.

“Rated energy capacity”

Purpose

The purpose of this definition is to define "rated energy capacity" means the amount of electrical energy, in watt-hours (Wh), that can be extracted from a fully charged energy storage system, based on or derived from the results of testing or analysis. The rated energy capacity includes the electrical energy of the battery pack that is not accessible due to a manufacturer-programmed decrease in energy capacity for battery pack protection.

Rationale

This definition is necessary to explain what a rated energy capacity means in terms of a zero-emission vehicle's energy system. This definition is needed to provide context for the daily usage exemption that only applies to certain vehicle body types if their rated energy capacity falls below a minimum threshold. The definition was selected to be consistent with CARB's Zero-Emission Powertrain Certification regulation, which manufacturers will be required to follow to earn ZEV credits in the ACT regulation starting in 2024. This alignment is necessary because the Daily Usage exemption will rely on information that must be supplied by manufacturers selling ZEVs into California that must comply with the certification requirements.

“Removed from the California fleet”

Purpose

The purpose of this definition is to define "removed from the California fleet" as a vehicle that is no longer operated in California by the fleet owner on or after the date the vehicle meets one of the following conditions: destroyed or scrapped or sold out of the fleet or transferred out-of-state.

Rationale

This definition is necessary to establish criteria by which CARB will consider a vehicle permanently removed from the California fleet. It is necessary to require vehicles are no longer operated in California by the fleet owner, in addition to one of the other criteria, to prevent potential loopholes with fleets repairing, re-purchasing, or reintroducing vehicles to the California fleet after having claimed to remove them. This ensures vehicles are no longer impacting emissions in California after the fleet removes them.

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If a vehicle is destroyed or scrapped, it is a clear indicator the vehicle will no longer be used in the fleet. Selling the vehicle out of the fleet or transferring it out of state show the vehicle is either no longer under the control of the fleet owner, or the vehicle will no longer be operated in California. It provides flexibility to fleets to move their vehicles into the secondary market and provides flexibility for national fleets to manage their vehicles by moving them to operate in other states with less air quality challenges.

“Responsible official”

Purpose

The purpose of this definition is to define "responsible official" as either a principal executive officer, elected official, or delegated representative of the state and local government agency.

Rationale

This definition is necessary to define who from the state and local government agency will be responsible for ensuring the agency meets the State and local government fleet requirements. The definition was selected to be consistent with CARB's Truck and Bus regulation. It is necessary to identify who would be responsible because complex government agency relationships can make it less clear who is responsible for compliance with regulations.

“Standard rounding convention”

Purpose

The purpose of this definition is to distinguish "standard rounding convention" as meaning to round the value up to the nearest whole number when the fractional part is equal to or greater than 0.5, and round down to the nearest whole number if less than 0.5 if the calculated value is not equal to a whole number.

Rationale

This definition is necessary to define "standard rounding convention" as it applies to the ZEV addition calculation if the number of ZEVs required is not a whole number. The concept ensures consistency in determining the ZEV addition requirement in the circumstances that the product is a fraction.

“State or local government agency”

Purpose

The purpose of this definition is to define a “State or local government agency” to mean a city, county, public utility, special district, local agency or district, or a public agency of the

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State of California, and any department, division, public corporation, or public agency of the State of California.

Rationale

This definition is necessary to establish the regulated parties who are subject to the regulatory requirements as all forms of government in California, from the local level through the State government. CARB's Resolution 20-19 set a clear goal to transition all government fleet vehicles to ZEVs by 2035 and should take the lead in the transition. Federal agencies are not included in this definition because they are in the scope of the High Priority and Federal Fleet requirements of section 2015.

"Tractor"

Purpose

The purpose of this definition is to define a tractor as meeting the definition in title 17, CCR section 95662(a)(23), or the definition of "vocational tractor" in title 17, CCR section 95662(a)(27).

Rationale

This definition is necessary to provide a general description of a tractor so fleet owners can differentiate between various vehicle types commonly understood by industry when reporting or assessing commercial availability. The definitions selected are to be consistent with existing CARB regulations and are the same as used in the Advanced Clean Trucks regulation to align with that program's requirements to build and sell ZEV tractors.

"Two-engine vehicle"

Purpose

The purpose of this definition is to define "two-engine vehicle" as a specially constructed on-road mobile vehicle that was designed by the original equipment manufacturer to be equipped with 2 engines: 1 engine provides the primary source of motive power of the vehicle while the second engine is an auxiliary engine with 50 brake horsepower or greater that is permanently attached and integrated into the original design of the vehicle to perform a specific function, which may include providing auxiliary power to attachments, performing special job functions, or providing additional motive power. If a vehicle was originally designed with the capability to have an auxiliary engine installed, but the auxiliary engine was installed by someone else other than the original equipment manufacturer, the vehicle still qualifies as a two-engine vehicle. Two-engine street sweepers are not included in this definition.

Rationale

This definition is necessary to establish a definition of a two-engine vehicle to identify these vehicles as exempt from ZEV addition requirements per section 2013(c). This definition was selected to align with existing Truck and Bus regulation and the In-use Off-Road Vehicle regulation because these vehicles are specialized equipment that are fairly uncommon, have high energy use characteristics and, are less likely to be manufactured as ZEVs.

It is necessary to exclude two-engine street sweepers from this definition because street sweepers are already available as ZEVs and are suited for electrification.

“Van”

Purpose

The purpose of this definition is to define "van" as a single unit vehicle with configured with seats to transport passengers or with an enclosed space for the primary purpose of transporting cargo and equipment.

Rationale

This definition is necessary to provide a general description of a van so fleet owners can differentiate between various vehicle types commonly understood by industry when reporting or assessing commercial availability. The description selected is supported by market research into vehicle body manufacturers.⁴

“Vehicle” or “motor vehicle”

Purpose

The purpose of this definition is to define "vehicle" or "motor vehicle" as self-propelled equipment that has a GVWR greater than 8,500 lbs. that is intended for use on highways and meets the definition set forth in title 17, CCR section 95662(a)(26), or is a yard tractor that is not intended for use on highways.

Rationale

This definition is necessary to establish what constitutes a vehicle as this proposed ACF regulation aims to reduce emissions from vehicles by transitioning them to ZE technology. In addition, the word “vehicle” is also referenced in the definitions of many other terms throughout this document and provides clarity to those definitions as well. It is necessary to include both vehicle categories listed as the regulation requirements apply to all three categories.

⁴ SpecialtyResearch.net, *Truck Body Manufacturing in North America*, June 15, 2018 (weblink: <https://www.specialtyresearch.net/>, last accessed April 2022).

“Vehicle awaiting sale”

Purpose

The purpose of this definition is to define "vehicle awaiting sale" as a vehicle in the possession of a dealer, financing company, a private party, or other entity that does not intend to operate the vehicle in California or offer the vehicle for hire for operation in California, and it is operated only to demonstrate functionality to potential buyers, to move short distances to make repairs, or for maintenance or storage. It also includes new vehicles when driven for the first time to be delivered to the ultimate purchaser outside of California.

Rationale

This definition is necessary to establish a definition of a vehicle awaiting sale in order to identify these vehicles as exempt from the proposed requirements as stated in section 2013(c). The definition was selected to align with CARB's Truck and Bus regulation and is a recognition the vehicle is being removed from the fleet and is no longer being used and ensures a fleet owner would not be out of compliance due to the time it takes to sell a used vehicle on the open market or at auction.

“Vehicle Identification Number” or “VIN”

Purpose

The purpose of this definition is to define "vehicle identification number" or "VIN" to mean an alpha numeric code which has been permanently assigned by the manufacturer to a vehicle.

Rationale

This definition is necessary to establish a definition of a vehicle identification number or VIN to be consistent with other regulations and the VIN is used as a primary and unique identification for reported vehicles.

“Vehicle purchase” or “purchase”

Purpose

The purpose of this definition is to define "vehicle purchase" or "purchase" as meaning the fleet owner has placed an order for a vehicle or powertrain conversion for immediate delivery or installation and has already paid for or has entered into a binding agreement with the authorized dealer, powertrain conversion installer, third party, or manufacturer to pay for the vehicle or conversion.

A vehicle purchase includes where the fleet owner has executed one of the following: identified, committed and encumbered funds and executed a written notice to proceed executed by a fleet owner to a manufacturer or powertrain conversion installer to begin

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production of the vehicle either under a previously-entered purchase contract or to execute a contract option; a written purchase agreement between a fleet owner and the manufacturer or powertrain conversion installer that specifies the date when the work to manufacture or convert the vehicle is to proceed; a written purchase agreement between a fleet owner and another party for the purchase and immediate delivery of a used vehicle; or a signed written lease agreement between a fleet owner and the manufacturer or authorized dealer for a new vehicle to be placed in service for a contract term of one year or more.

Rationale

This definition is necessary for fleet owners to identify the parameters of a vehicle purchase as it applies to various exemptions and extensions and in determining compliance. It is also necessary as it applies to the vehicle information reported as well as the type of information needed for recordkeeping for vehicles that have been purchased.

Binding agreements with relevant parties are necessary because non-binding agreements are insufficient for indicating a fleet intends to purchase and take delivery of a vehicle, and CARB needs assurance the addition will take place. Encumbering funds with a written notice to proceed show a fleet owner is attempting to add a vehicle in good faith and provides assurance that the fleet intends to add the vehicle. Purchase agreements and lease agreements are legally binding contracts that provide assurance the fleet will add the vehicle.

“Yard tractor”

Purpose

The purpose of this definition is to define "yard tractor" as a vehicle that has a movable fifth wheel that can be elevated and is used in moving and spotting trailers and containers at a location or facility. Yard tractors are also commonly known as yard goats, hostlers, yard dogs, trailer spotters, or jockeys.

Rationale

This definition is necessary for fleet owners to identify which of their vehicles are in the scope of the proposed ACF regulation. On-road and off-road yard trucks are commonly used in similar applications and therefore are both subject to the proposed ACF regulation. Primarily, the difference between off- and on-road yard tractors are the addition of safety equipment which allow the vehicles to be legally driven on-road between warehouses or truck yards. Off-road yard trucks also may be equipped with off-road certified engines that tend to have higher emissions than on-road certified engines. Their appearance and primary duty cycles are almost identical.

“Zero-emissions powertrain”

Purpose

The purpose of this definition is to define "zero-emissions powertrain" per CCR 1956.8(i)(12), as an all-electric or hydrogen fuel-cell powertrain assembly, which includes (if applicable) the electric traction motor, system controller, generator, on-board charger, battery management system, thermal management systems, energy storage system (batteries, capacitors, and flywheels), inverter, fuel-cell stack, and the interface at which electrical power is converted to tractive mechanical power or vice-versa (in the case of a regenerative braking system), certified pursuant to the requirements incorporated by reference in title 13, CCR section 1956.8.

Rationale

This definition is necessary because it describes the components of ZE technology. Fleet owners and operators are more familiar with other types of powertrains and this proposed ACF regulation will provide them an opportunity to transition to newer technologies. As CARB transitions vehicles to ZE technology, it is important to clarify exactly what is required and the certification requirements. This definition of zero-emission powertrain is consistent with the Zero-Emission Powertrain Certification Regulation.

“Zero-emissions vehicle” or “ZEV”

Purpose

The purpose of this definition is to define “zero-emissions vehicle” or “ZEV” as a vehicle with a drivetrain that produces zero exhaust emissions of any criteria pollutant (or precursor pollutant) or greenhouse gas under any possible operational modes or conditions.

Rationale

This definition is necessary to simplify the language by grouping all ZEV types in this definition. This allows the language to address all ZEVs together rather than needing to describe each type of ZEV (including BEVs and FCEVs) separately each time it is needed.

Section 2013(c), 2013(c)(1-9). Exemptions

Purpose

The purpose of this section is to identify the types of vehicles that are exempt from this proposed ACF regulation. These vehicles include: school buses as defined in California Vehicle Code (CVC) 545(a); military tactical vehicles as defined in title 13 CCR section 1905; vehicles awaiting sale; emergency vehicles as defined in CVC section 165; historical vehicles; dedicated snow-removal vehicles, two-engine vehicles; heavy cranes as defined in title 13 CCR section 2021(b)(16); and transit vehicles subject to the Innovative Clean Transit regulation commencing with title 13 CCR section 2023.

Rationale

This section is necessary for fleet owners to identify which specific vehicles and fleets are outside of the scope of this proposed ACF regulation.

School buses as defined in CVC section 545(a) are necessary to exempt because school buses are covered by other regulations⁵ and are and are already being upgraded with special incentives to replace older diesel vehicles with new, cleaner technologies including ZEV.⁶

Military tactical vehicles as defined in title 13, CCR section 1905 are exempt to ensure the military has maximum flexibility in determining the appropriate vehicle technology for vehicles that may be deployed to minimize any potential national security concerns.

Vehicles awaiting sale are necessary to exempt because they are not driven for purposes other than demonstrating their capability to potential buyers, and therefore have minimal emissions impacts. Dealers with new vehicles sitting on lots awaiting sale have no ownership or control interest in the vehicles, nor do they operate the vehicles. Similarly, vehicles that are sold at auction must wait until the auction date and are not being operated. There is no purpose in making the owner or dealer responsible for upgrading the vehicles before they are sold to the ultimate purchaser.

It is necessary to exempt emergency vehicles, such as ambulances, as defined in CVC section 165 because CARB does not have authority to regulate these vehicles per CVC 27156.2.

It is necessary to exempt historical vehicles because they are only driven for exhibition purposes with minimal emissions impacts from usage. The vehicles are also not used commercially to generate revenues. Upgrading the vehicle to ZE would also lessen the historical or cultural value of these types of vehicles.

Dedicated snow removal vehicles are necessary to exempt because they have challenging duty cycles, high power needs, extreme operating conditions, and operate in remote location. Additionally, low manufacturing volumes make these unlikely to be commercially available in the earlier years of the proposed implementation timeline.

Two-engine vehicles are necessary to exempt because they have challenging duty cycles, high power needs that would necessitate larger batteries to perform the same work as an ICE vehicle which may present challenges to vehicle design, payload, safety, and weight constraints. Additionally, low manufacturing volumes make these unlikely to be commercially available in the earlier years of the proposed implementation timeline.

It is necessary to exempt heavy cranes as defined in title 13, CCR section 2021(b)(16) because they already have existing requirements in other regulations that overlap with the timeline for this proposed ACF regulation. Additionally, these vehicles have unique duty cycles, considerably higher capital cost compared to other vehicle types, Occupational Safety and

⁵ For more information see CARB's website, <https://ww2.arb.ca.gov/our-work/programs/school-buses/regulations-affecting-school-fleets>.

⁶ For more information see CARB's website, <https://ww2.arb.ca.gov/our-work/programs/school-buses/funding-clean-school-buses>.

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Health Administration (OSHA) loading design safety requirements. Additionally, low manufacturing volumes make these unlikely to be commercially available in the earlier years of the proposed implementation timeline.

Transit vehicles subject to title 13, CCR section 2023 are necessary to exempt because they are already subject to ZE upgrade requirements in the ICT regulation.

Section 2013(d) General Requirements

Purpose

The purpose of this section is to establish January 1, 2024, as the start date of the proposed ACF regulation's general requirements and to set forth the requirement for state and local government agencies to comply with the requirements of section 2013(d).

Rationale

This section is necessary to inform regulated entities when they will be expected to begin complying with the regulation. Setting the regulatory start date on January 1, 2024, is necessary to give regulated entities sufficient lead time to and plan compliance strategies for their fleets while balancing the needs for emissions reductions as soon as possible, meeting the Governor's Executive Order N-79-20, and meeting CARB's ZE goals set forth in Resolution 20-19.

Sections 2013(d)(1), 2013(d)(1)(A-B) Agencies in Non-designated Counties

Purpose

The purpose of this section is to establish, for State and local government agencies whose jurisdiction is not in a designated low population county, that starting January 1, 2024, 50 percent of the total number of vehicle additions to the California fleet in each calendar year must be ZEVs. Starting January 1, 2027, 100 percent of the total number of vehicle additions to the California fleet in each calendar year must be ZEVs.

Rationale

This section is necessary to inform State and local government agencies whose jurisdiction is not solely in a designated low population county when they will be expected to begin complying with the proposed ACF regulation and how many ZEVs will be required to be added to their fleet each calendar year.

State and local government fleets typically have extensive budgeting, approval, and public bid processes to follow when purchasing vehicles. They do not have the same flexibility in procurement decisions that private industry does.

As described in the introduction, public fleets tend to hold on to their vehicles for longer periods of time and extend the vehicle life through in-house maintenance. They typically

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have more specialized fleets of work trucks and vehicles that can respond to various special needs through their service territories.

While ZEVs can perform this work, the market is nascent, such that manufacturers have limited ZEV offerings of specialized vehicles.

For these reasons, the proposed ACF regulation structure of a ZEV addition requirement is necessary to provide maximum flexibility to public fleets by allowing them to keep existing diesel vehicles in service and only upgrade to ZEVs when they make new additions.

The reason a 50 percent target is established in 2024 for fleets servicing high population counties (rather than 100 percent by 2027) is to provide certainty that will stimulate ZEV demand, accelerate manufacturer offerings of more specialized vehicles that public fleets will need, and begin the buildout of necessary infrastructure.

Requiring only half of additions to the fleet be ZEV is necessary to provide flexibility allowing the fleet to identify and invest in the easiest to transition assets or locations first.

Starting this proposed requirement in 2024 is necessary due to the flexibility of the addition requirement structure and longer vehicle retention in public fleets. To meet CARB Resolution 20-19 goals calling for a full transition to a 100 percent ZE government fleet by 2035, public fleets in higher population counties must begin adding ZEVs to their fleets in 2024.

Sections 2013(d)(2), 2013(d)(2)(A) Agencies in Designated Counties

Purpose

The purpose of this section is to establish, for State and local government agencies whose jurisdiction is solely in a designated low population county, January 1, 2027, as the first compliance date and that 100 percent of the total number of vehicle additions to the California fleet in each calendar year must be ZEVs.

Rationale

This section is necessary to inform State and local government agencies whose jurisdiction is solely in a designated low population county of the compliance date and requirements.

Designated low population counties are unique in that the dispersed nature of rural service stations can make public service more challenging, and rural electrical distribution often lacks the redundancy of urban centers.

State and local government agency fleets based in designated low population counties tend to have fewer vehicles and therefore may have less flexibility to manage their fleet and place ZEVs where they might be most suitable. Additionally, due to lower revenues, they operate with limited capital budgets and would have greater challenges with the higher cost of ZEVs in the early years. Finally, they tend to operate in remote areas that are expected to take longer for ZEV infrastructure and support networks to be developed.

Setting the proposed regulatory start date on January 1, 2027, is necessary to give such agencies sufficient extra lead time to identify where ZEVs will best fit their operations and to

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install infrastructure. Over time, staff expect ZEV technology to mature and scale which will drive down upfront costs and improve operational flexibility as range increases and weight decreases. The proposed start date is also necessary due to the flexibility of the addition requirement structure and longer vehicle retention in public fleets. To meet CARB Resolution 20-19 goals calling for a full transition to a 100 percent ZE government fleet by 2035, public fleets in higher population counties must begin adding ZEVs to their fleets in 2027.

Sections 2013(d)(3) Agencies with Split Jurisdictions or Service Areas

Purpose

The purpose of this section is to establish that a State or local government agency whose jurisdiction or service area is split between a designated low population county and a non-designated county with at least 90 percent of the service area in the designated low population county must meet the requirements of section 2013(d)(2)(A).

Rationale

This section is necessary because certain agencies have jurisdictions or service territories in both designated and non-designated counties. Agencies that have a majority of their service territory in the low population county face many of the same challenges that other agencies in low population counties do, and therefore should also get additional time to plan for incorporating ZEVs.

Section 2013(e). NZEV Flexibility

Purpose

The purpose of this section is to establish that until January 1, 2035, additions of a new or used NZEV may optionally be made in lieu of ZEV additions if no new ZEV of the same weight class and configuration are available per section 2013.1(d).

Rationale

This section is necessary to provide flexibility to State and local government fleet vehicles that may have duty cycles or uses with extended range, high auxiliary power, or minimal refueling downtime operational needs.

This section acknowledges the role NZEVs play as a bridging technology between internal combustion powered vehicles and full ZEVs. NZEVs generally have the same electric drive components and control systems as ZEVs and can provide fleets experience with ZEV technology in the early market without purchasing ZEVs and can result in the same benefits as ZEVs depending on the all-electric range, how the vehicle is used and whether it can be charged daily.

Allowing fleets to count NZEVs towards compliance as a ZEV helps reduce the number of suitability or availability exemptions that might be needed and requested because NZEVs can

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be refueled like conventional vehicles and ensures progress can be made in applications that may not be fully suitable for ZEVs until the market develops further.

It is necessary to require the purchase of NZEVs only if no new ZEV is available to recognize the role public agencies have in leading the transition to ZEVs. Public agencies also have accelerated transition goals due to CARB's Resolution 20-19 requiring a full transition by 2035; agencies must focus their investments on ZEV technology if available to meet that goal.

It is necessary to set a limit on the amount of time that NZEVs can be granted the same credit as ZEVs to ensure industry continues to progress towards full adoption of ZEVs everywhere feasible. Staff expects that as ZEV technology improves over time and ZE fueling infrastructure becomes widespread, range and power needs will be met with available ZEVs and NZEVs will no longer need to be credited as a bridging technology. The proposed 2035-year cutoff was selected to be consistent with the NZEV crediting provisions of the complementary ACT regulation, which also sunset in 2035.

Section 2013(f). Rounding

Purpose

The purpose of this section is to define how calculating ZEV additions to the fleet each year shall be rounded if the number of ZEVs is not equal to a whole number, by rounding up to the nearest tenth when the fractional part of the required number of credits is equal to or greater than 0.05, and round down if less than 0.05.

Rationale

This section is necessary to establish the rounding practice that shall be used to determining the number of ZEVs State and local government agencies added to their fleet. When agencies add an odd number of vehicles to their fleets, it is conceivable that those complying with the 50 percent additions requirement may have a fractional requirement to add half of a vehicle to the fleet. Adding half a vehicle is nonsensical. For simplicity, those numbers should be rounded to a whole integer, and the standard mathematical rounding convention should be used to do so. Additionally, the use of this method is consistent with that used across various other CARB regulations, including the Advanced Clean Cars and Advanced Clean Trucks regulations.

Section 2013(g). ZEV Accounting

Purpose

The purpose of this section is to inform State and local government agencies that each ZEV or NZEV may be counted only once as long as the vehicle remains in the fleet to count towards compliance with the ZEV addition requirement for a given calendar year.

Rationale

This section is necessary to ensure that ZEVs or NZEVs added to the fleet are not counted more than once and State and local government agencies are meeting the compliance requirements set forth in section 2013(d). This clause is necessary to prevent double counting of vehicles for compliance across multiple calendar years.

Section 2013(h). Early or Excess ZEV Additions

Purpose

The purpose of this section is to establish that ZEV additions to the California fleet made before the deadlines or in excess of the amounts required in section 2013(d) count towards future ZEV addition requirements as long as the ZEV is still active in the fleet. Each early or excess ZEV addition counts toward a future requirement only once per the accounting requirements in section 2013(g).

Rationale

This section is necessary to allow flexibility in compliance for State and local government fleets. Due to purchasing practices and budget limitations, State and local government agencies may not always be able to purchase ZEVs consistently from year to year. Agencies that want to test the technology earlier than required should be recognized for their earlier investments, and those that exceed their required number of ZEVs should also be recognized.

It is necessary to require that early or excess ZEVs remain active in the fleet to ensure they have displaced a conventional vehicle and California realizes emissions benefits from that displacement.

It is necessary to limit the counting of each ZEV added early or in excess toward future requirements only once to prevent double counting of emissions benefits.

Section 2013(i), 2013(i)(1-3). Requirement to Hire Compliant Fleets

Purpose

The purpose of this section is to set forth the following requirements: any hiring entity that is subject to this section per 2013(a)(2) must verify that each fleet it hires, or dispatches is listed on the CARB ACF webpage as a compliant fleet. Alternatively, for each calendar year that an entity hires a fleet to operate in California, it must obtain a signed statement from the fleet stating it is not subject to the High Priority and Federal Fleets regulation of title 13, CCR section 2015 through 2015.6 and the State and Local Government Fleets regulation of title 13, CCR section 2013 through 2013.4. These entities must also provide the following disclosure in writing to the hired fleet in the hiring contract or agreement: "Vehicles with a GVWR greater than 8,500 lbs. and light-duty package delivery vehicles operated in California may be subject to the California Air Resources Board Advanced Clean Fleets regulations. It therefore could be subject to requirements to reduce emissions of air pollutants. For more

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information, please visit the California Air Resources Board website at <https://ww2.arb.ca.gov/our-work/programs/advanced-clean-fleets>.” Hiring entities must also comply with recordkeeping requirements.

Rationale

This section is necessary because without it, noncompliant fleets can offer their services at a discount to those who invested to comply which will result in unequal conditions and an economic incentive for noncompliance. This proposed requirement enhances the enforceability and effectiveness of the regulation by providing another enforcement tool to ensure that hiring entities do not hire noncompliant fleets.

It is necessary to require hiring entities to check CARB’s ACF webpage because it is a central database of compliant fleets with relevant information listed to enable hiring entities to verify compliance with adopted in-use fleet rules.

The proposed ACF regulation does not apply to all fleets, so it is necessary for hiring entities to have an alternative method to verify whether fleets are subject to the regulations when the fleets are not required to report their fleet information. A signed statement requires minimal paperwork or documentation and provides a method to verify the hiring entity is checking for compliance and whether a hired fleet misrepresents their compliance status to the hiring entity.

Requiring the disclosure of regulatory applicability is necessary to enhance the enforceability of the proposed ACF regulation. Enforcement has been challenging in the past where fleets were not aware of regulations to which they were subject; this requirement provides a clear notice to any hired fleet that their vehicles may be subject to pollution reduction regulations in California and directs the fleets to the CARB website where they can find out whether they are subject. If fleets are notified they may be subject to regulations, choose not to find out more, and end up out of compliance, this notice enables more cases to move forward.

It is necessary to require hiring fleets to comply with specific recordkeeping requirements to enhance enforceability of this proposed requirement through an auditable paper trail of hired fleets and relevant statements from fleets not subject to the regulations.

Section 2013(j). Joint Compliance Option

Purpose

The purpose of this section is to set forth the option for individual departments, divisions, districts, subsidiaries, or agencies under the same State or local government agency’s jurisdiction have the option to comply jointly instead of complying independently if the combined California fleet meets the requirements of this regulation. If the group fails to comply, all participants must immediately comply individually. Agencies choosing to use this option must meet the reporting requirement of section 2013.2(d).

Rationale

This section is necessary to allow individual departments, divisions, districts, subsidiaries, or agencies under the same State or local government agency's jurisdiction to comply jointly because larger stakeholders have indicated a preference for flexibility in choosing how to comply with their individual agency units. Some agencies find the option of complying jointly beneficial as they would have the flexibility to deploy more ZEVs in one subsidiary than another provided the fleet milestone of the combined group is still met. Alternatively, some entities find more flexibility and autonomy in choosing to comply individually. Either approach achieves the same air quality benefit.

It is necessary to specify how compliance will be determined if the combined fleet does not comply by requiring individual business units to comply individually should the combined fleet be out of compliance. This narrows the focus on how to remedy non-compliance and simplifies enforcement.

Additionally, this option necessitates a reporting requirement to allow for CARB to identify vehicles for implementation and enforcement purposes.

Section 2013(k). Order Cancellations

Purpose

The purpose of this section is to notify State and local government agencies that if a notice to proceed, a purchase agreement, or a leasing contract is canceled at any time before the vehicle is delivered, the purchase will be considered invalid and will not count towards required ZEV additions to the California fleet.

Rationale

This section is necessary to ensure State and local government agencies are aware that canceled notices to proceed, purchase agreements, or leasing contracts do not count towards compliance. This section provides assurance that compliance is maintained and thereby emission reduction goals and transition to ZE technology are achieved.

Section 2013(l). Compliance Date

Purpose

The purpose of this section is to establish an annual compliance date of January 1 of each calendar year when the ZEV addition requirements are determined.

Rationale

This section is necessary because it establishes the deadline by which State and local government agencies need to comply by each year.

Section 2013(m), 2013(m)(1-5). Exemptions and Extensions

Purpose

The purpose of this section is to establish which exemptions and extensions a fleet owner may apply for or take advantage of, and what each extension or exemption will allow fleet owners to do.

Rationale

This section is necessary to establish how each exemption and extension provision would interact with the compliance requirements for State and local government agency fleets. Each section also provides a short summary of the provision requirements and points the reader to the section in the proposed ACF regulation with the detailed criteria, which is necessary to provide regulated entities additional contextual information about each provision for ease of readability.

The Backup Vehicle exemption section is necessary to establish that fleet owners may purchase an ICE vehicle and exclude it from the ZEV addition requirement of section 2013(d) if the vehicle is designated as a backup vehicle. The 1,000-mile threshold limits the exemption to vehicles that are not commonly used and have a relatively small impact on emissions. Fleet owners must be made aware of how the exemption would impact their compliance choice.

For the Daily Usage exemption, it is necessary to establish that fleet owners shall receive a one-year exemption from the ZEV addition requirement. The one-year period is adequate to make ICE vehicle purchases under the exemption. It is necessary to limit the exemption to one year after which a fleet must apply again, because new vehicles and capabilities are likely to become available each year. It is necessary to include a limitation that all commercially available ZEVs cannot meet the needs of any existing ICE vehicle in the fleet to ensure that fleets focus their efforts on transitioning the vehicles that can be replaced first before focusing on vehicles that cannot, as improvements in ZEV technology and infrastructure availability may address duty-cycle concerns over time. It is necessary to specify the replacement ICE vehicle is a new vehicle to ensure the ICE vehicle has lower emissions than the one being replaced.

For the Infrastructure Construction Delay extension, the section is necessary to establish that fleet owners would be excused from taking delivery of ordered ZEVs for up to 1 year. Because the delay is beyond the fleet owners' control, it is reasonable to provide a compliance option while the infrastructure construction is finished. Providing a 1-year delay is reasonable because fleets must have already started construction and ordered ZEVs at least 1 year in advance of their deadline and providing an additional year of time would give at least 2 years for the construction to finish.

For the ZEV Unavailability exemption, it is necessary to establish that fleet owners may purchase an ICE vehicle and exclude it from the ZEV addition requirements if no ZEV or NZEV of the needed configuration is commercially available and if they qualify for the exemption criteria. This section is necessary to ensure that older high emitting vehicles are

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not kept in the fleet longer if a ZEV or NZEV is not available. It is necessary to specify the replacement ICE vehicle is a new vehicle to ensure the cleaner vehicles are purchases and that the replacement is not with a used ICE vehicle that is no cleaner than the one being replaced.

For Mutual Aid Assistance, it is necessary to establish that fleet owners can purchase an ICE vehicle and exclude it from the ZEV addition requirements for up to 25 percent of the fleet if the exemption conditions are met. This is necessary because the vehicles may be used to assist in mutual aid to other jurisdictions, regions, or states, which can be unpredictable in usage, routes, and availability of fueling infrastructure. It is necessary to set forth the 25 percent limit because the exemption requires that 75 percent of the fleet's vehicles already be upgraded to ZEVs before applying. It is necessary to specify the replacement ICE vehicle is a new vehicle to ensure the cleaner vehicles are purchases and that the replacement is not with a used ICE vehicle that is no cleaner than the one being replaced.

Section 2013(n). Reporting and Recordkeeping Requirements

Purpose

The purpose of this section is to establish reporting and recordkeeping requirements beginning January 1, 2024. State and local government fleets must meet reporting requirements as specified in section 2013.2 and keep and provide records as specified in section 2013.3.

Rationale

This section is important as both reporting and recordkeeping is necessary for CARB to implement and enforce the regulation. Additionally, these requirements begin on January 1, 2024 as it is the start date of the compliance requirements.

Section 2013(o). Vehicles Acquired with Incentive Funds

Purpose

The purpose of this section is to inform State and local government fleet owners know that beginning January 1, 2024, if a fleet owner receives California State-provided incentive funding for ZEVs or NZEVs and the funding program guidelines specify the vehicle cannot be used to count toward determining compliance with the general requirements section 2013(d), as the vehicle will not be counted as a compliant vehicle during the funding contract period. The fleet owner must also meet the reporting requirements specified in section 2013.2(c)(2)(L).

Rationale

This section is necessary as it identifies the condition in which a ZEV or NZEV acquired through California State-provided incentive funding cannot be used to count toward determining compliance with the proposed general requirements. This language provides a

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mechanism for affected fleets to utilize funding programs that seek to achieve early and extra emissions reductions beyond what is already required by the proposed ACF regulation. Without this language, some funding programs would not be able to be used to provide any financial incentives to affected fleets. The provision specifies California State-funded vehicles, as CARB's ability to claim SIP creditable emission reductions from vehicles purchased with those funds is not affected by local and federal funding programs. It is important to point back to the funding program guidelines to allow flexibility for the funding program to set requirements consistent with the funding policy or statutory requirements. Additionally, ZEVs and NZEVs are incorporated because both could be eligible for state funding programs and receive credit in the regulation; as such, both must be account for by this provision. It is also necessary to establish a reporting requirement for the funding contract period start and end dates as CARB must be able to implement the requirement as well as correctly calculate compliance for fleets. The January 1 start date is necessary to encourage early market purchases and ensure compliance credit for vehicles added before this proposed ACF regulation takes effect.

Section 2013(p). Certificate of Reported Compliance and Compliant Fleet List

Purpose

The purpose of this section is to establish that CARB will provide the fleet owner with a Certificate of Reported Compliance if the compliance and reporting requirements have been met. It also establishes that, on the CARB ACF webpage, CARB will list information for compliant fleets that have received a Certificate of Reported Compliance with the CARB-issued ID number, motor carrier number if applicable, fleet name, and whether the fleet is recognized as a "ZEV Fleet." It distinguishes that fleets that do not comply will not be listed on the CARB website as well.

Rationale

This section is necessary to identify the conditions in which a fleet will be awarded a Certificate of Reported Compliance by CARB. It is necessary to indicate that fleets will only receive a certificate of reported compliance after CARB determines all the requirements are met and all reporting has been received as those that have not reported or do not meet the proposed ACF regulation requirements will not receive a certificate. Certificates of reported compliance are needed to show the fleet and any other interested party that the fleet is in compliance with the requirements of the proposed ACF regulation. This is necessary to provide as a service to fleet owners to indicate that CARB has received their reporting and is indicative that they meet the compliance requirements of the proposed ACF regulation. It is necessary to list compliant fleets on the CARB website so that hiring fleets can easily access the information to verify they are hiring fleets that comply. It is necessary to limit the list to only those fleets that have reported compliance so that non-compliant fleets do not appear on the list. Explicitly excluding non-compliant fleets from the list is also pertinent to avoid confusion from fleets that report but are not compliant with the proposed ACF regulation. This will prevent a hiring entity from being out of compliance with the rule by inadvertently

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hiring a non-compliant fleet. Listing the CARB-issued ID number, fleet name, motor carrier, and compliance status including whether the conditions of being classified as a “ZEV Fleet” are important to easily identify complaint fleets on the CARB website. The CARB-issued ID is a unique number used to identify the fleet within the CARB reporting database. The fleet name and motor carrier number are the identifiers by which hiring fleets may most readily recognize and identify fleets to hire. The optional “ZEV Fleet” status is necessary to include to identify those fleets that have met the optional “ZEV Fleet” status requirements for anyone who chooses to utilize the information to support fleets that are making the transition to ZEVs.

Section 2013.1. State and Local Government Fleet Exemptions

Purpose

The purpose of this section is to inform fleet owners that they may claim or apply for the following exemptions or extensions if the California fleet complies with the requirements that are in effect and it would otherwise be impossible to comply with the next upcoming proposed ACF regulation requirement. Fleet owners requesting or utilizing any exemptions or extensions must meet applicable reporting and recordkeeping requirements for each exemption or extension as specified in sections 2013.2 and 2013.3. Any exemptions or extensions approved for a fleet owner are not transferrable to another fleet owner. The Executive Officer will respond to exemption requests as described in section 2013.2(i).

Rationale

This section is necessary to set forth the requirements and criteria to qualify for the proposed ACF regulation’s exemption and extension provisions. The requirement that fleets comply before requesting any exemption or extension is necessary to ensure fleet owners are planning ahead and are not simply seeking unjustified exceptions for when the fleet has not taken the appropriate steps and are out of compliance. Limiting exemption or extension applications to fleets that need them to comply with their next upcoming requirements helps reduce administrative burden by reducing the amount of time spent on invalid applications due to a lack of planning. This is also necessary to prevent extraneous or unnecessary applications where the fleet would not need the exemption or extension to comply.

It is also necessary to set forth requirements that fleet owners follow any reporting or recordkeeping requirement to support and document which exemption or extension they are utilizing. Additionally, it is necessary to inform fleets where they can look in the proposed ACF regulation for information about Executive Officer responses to exemption or extension requests. Finally, the clause preventing fleet owners from transferring exemptions or extensions to other fleet owners is necessary to ensure the exemption is applied based on the specific situation for the fleet that was granted the extension.

Section 2013.1(a), 2013.1(a)(1-3). Backup Vehicle Exemption

Purpose

The purpose of this section is to inform a fleet owner that they may designate vehicles as backup vehicles during the reporting period and renew the designation annually if the following requirements of this section have been met:

- The vehicle is operated less than 1,000 miles per year excluding any mileage travelled under contract while performing emergency operations in support of a declared emergency event;
- The fleet owner must report the vehicle as a backup vehicle and must submit odometer readings per section 2013.2(f); and
- The backup vehicle must be immediately stop being operated and must be removed from the California fleet if the vehicle exceeds the allowed number of annual miles travelled and the vehicle or fleet is out of compliance with section 2013(d).

Rationale

This section is necessary to set forth the requirements for fleet owners to utilize the backup vehicle exemption.

It is necessary that the exemption is claimed during the reporting period and renewed annually because fleet owners are required to report at the beginning of the year, and this minimizes reporting burdens while enabling CARB to track a vehicle's annual mileage to determine compliance with the exemption criteria.

The 1,000 mile per year limit is necessary to provide flexibility for limited operation of vehicles with low annual mileage to be a substitute for fleet redundancy when other vehicles are out of service for repairs or maintenance are rarely used. Additionally, this provides flexibility for operation of a vehicle used almost exclusively in emergency support operations. These vehicles have minimal emissions impacts and are not expected to be cost effective to replace. The 1,000-mile limit was selected as an appropriate threshold to allow for adequate use of a backup vehicle and to maintain consistency with the threshold used in the Truck and Bus regulation. Raising the threshold would reduce the effectiveness of the proposed ACF regulation.

Allowing vehicle miles travelled under contract during emergency service to be excluded from the 1,000 mile per year limit is necessary to ensure backup vehicles as needed to address an immediate threat to safety. This provision helps ensure emergency responsiveness is maintained. Operations to serve infrequent emergencies have minimal emissions impacts and the immediate threat to safety outweighs the temporary air quality impact. Requiring emergency miles to be travelled under contract is necessary because the duration of each declared emergency is unique and cannot be predicted in advance, the period of time vehicles need to be used to respond to emergencies is established in the declaration or in supporting contracts in response to the declaration.

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The reporting and odometer reading requirements are necessary because CARB needs to track and verify the mileage of vehicles using the provision to effectively implement and enforce the provision.

The requirement that backup vehicles exceeding their annual mileage limit be removed from the California fleet is necessary to prevent fleets from retaining vehicles that no longer comply with the provision requirements. It is necessary to specify that the mileage exceedance for a vehicle designated as a back-up vehicle is irrelevant if the fleet continues to comply when the vehicle is not designated as a backup vehicle so that a fleet owner is not penalized when the fleet is otherwise compliant.

Section 2013.1(b), 2013.1(b)(1-6), 2013.1(b)(4)(A). Daily Usage Exemption

Purpose

The purpose of this section is to set forth the requirements for the Daily Usage Exemption. Fleet owners may apply for an exemption to replace vehicles with a GVWR greater than 14,000 lbs. if at least 10 percent of their California fleet is comprised of ZEVs or NZEVs. Fleet owners may not apply for a vehicle configuration that is commercially available as: an NZEV; a hydrogen fuel cell ZEV; a ZEV tractor or ZEV three-axle bus with a rated energy capacity of at least 1,000 kWhs; a Class 4 through 6 ZEV with a rated energy capacity of at least 325 kWhs; or a Class 7 through 8 ZEV with a rated energy capacity of at least 450 kWhs. The Executive Officer will approve the exemption based on their good engineering judgement in determining that the criteria specified in section 2013.1(b) have been met.

The fleet owner must submit the following by email to TRUCRS@arb.ca.gov to apply:

- Submit the make, model, weight class, configuration, and photograph of the ICE vehicle to be replaced.
- Identify the commercially available ZEV with the highest rated energy capacity available in the same weight class and configuration. Submit the make, model, weight class, configuration, and rated energy capacity of the ZEV.
- Calculate the range of the vehicle in miles by dividing the rated energy capacity of the identified ZEV by the following factors: for Class 4 through 6 vehicles, 1.3 kWhs per mile; for Class 7 and 8 non-tractors, 1.8 kWhs per mile; for Class 7 and 8 tractors, 2.1 kWhs per mile. For vehicles that operate truck mounted or integrated equipment while stationary, in lieu of calculating the needed rated energy capacity based on vehicle miles travelled, the needed rated energy capacity is the same as the optionally submitted measured ZEV energy use of section 2013.1(b)(6). Submit the calculation and results.
- Submit a daily usage report for a period of at least 30 consecutive workdays from within the last 12 months using telemetry data or other industry accepted data collection method for all ICE vehicles of the same weight class and configuration of the vehicle to be replaced. The report must include the daily miles traveled for each vehicle. Identify the lowest mileage reading for each day and exclude the three highest readings. For the exemption to be granted, the highest remaining mileage number must be greater than the range calculated in 2013.2(b)(3).

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- For vehicles that operate truck mounted or integrated equipment while stationary, the daily usage report must include daily equipment usage information such as hours of operation
- Submit a description of the daily assignments or routes used by existing vehicle types with an explanation of why all commercially available ZEVs of the same weight class and configuration cannot be charged or fueled during the workday at the depot, within one mile of the routes, or where ZEV fueling is available. The explanation must include a description of why charging or fueling could not be managed during driver rest periods or breaks during the workday.
- Optionally submit measured ZEV energy use data to substantiate their exemption request from ZEVs of the same configuration already operated on similar daily assignments in the fleet's service. Optional information must include vehicle loading and weight data, route grade, average ambient daily temperature, and state of charge at the beginning and end of the daily shift to show typical energy usage over one month of regular service.

Rationale

This section is necessary to set forth the requirements for fleet owners to utilize the Daily Usage exemption. This provision is necessary to address situations where replacement ZEVs are commercially available, but no available ZEV can meet the daily mileage or operation hour needs of the fleet. Fleets operate on different business models and have different operational needs, so not every commercially available ZEV will meet the need of every fleet in the early market. Staff expect the need for this exemption to reduce over time as infrastructure is placed and ZEV technology improves.

This provision is limited to vehicle replacements only to limit applications for streamlined implementation and because the provision is not meant to expand the fleet's ICE vehicles.

The exemption's GVWR limitation is necessary because vehicles with a lower GVWR can use light-duty vehicle refueling networks, and such infrastructure is more widespread and publicly available. This exemption is not needed for vehicles that have the access to refuel at publicly available stations.

The requirement that the fleet already be comprised of 10 percent ZEVs is necessary to ensure progress is being made by every fleet in the transition to zero-emissions before exemptions based on duty-cycle are granted. Fleet owners will have to consider where ZEVs will fit best into their operations and take the initial steps to transition their fleet. This requirement will help fleets gain experience with the vehicles and technology and ensures they have a vested interest in moving the market forward. Fleets subject to this proposed ACF regulation are expected to have the operational and financial flexibility to modify the way they operate to start making improvements in fleet efficiency, gain experience with ZEVs, and help accelerate the early market by increasing vehicle demand so manufacturers will serve more of the market and infrastructure providers will make investments to serve demand where needed. ZEVs will fit most applications but ultimately the way fleets operate trucks might change from what they do now because of differences in the technology. Staff expect fleet owners to place ZEVs in routes where they would fit best in their own operation.

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The exemption limitation for when NZEVs and fuel cell vehicles of the same configuration and weight class are commercially available is necessary because these vehicles have more flexible range and operational hours than ZEVs due to their extended range and quick refueling, and the ability for NZEVs to use conventional fuels which are widely available. NZEVs are compliant until January 1, 2035 and fleets should transition to those vehicles where ZEVs cannot meet fleet needs.

It is necessary to apply limitations to the exemption for when ZEVs are commercially available with rated energy capacities that would meet most fleet needs. Tractors or three-axle buses with 1,000 kWhs represent about 475 miles of range assuming fuel efficiency of 2.1 kWhs per mile. This represents over 8 hours of drive time at highway speeds, after which most drivers would be required to stop the vehicle due to mandates that limit the number of hours drivers can safely operate a vehicle without a break. During the rest period, the vehicle could be refueled at a ZEV fueling station. Class 4 through 6 vehicles with rated energy capacity of 325 kWhs and Class 7 and 8 non-tractors with 450 kWhs represent 250 miles of range at 1.3 kWhs per mile and 1.8 kilowatt-hours per mile efficiency, respectively. 250 miles is more than enough range for most fleet needs according to the Large Entity Reporting data. When ZEVs are available with these ranges the exemption would no longer be needed.

It is necessary to allow the Executive Officer and their good engineering judgement to assess applications because CARB needs to analyze submitted information and data to determine whether the provision criteria have been met and that the data provided is applicable to the vehicle configuration and weight class for which the exemption is being sought.

It is necessary to specify fleet owners submit applications through the TRUCRS@arb.ca.gov email because that is the email staff will monitor for applications. Email submissions simplify implementation and ensure expedient review..

The ICE vehicle information required is necessary to be able to identify the type of vehicle that needs to be replaced so staff can assess whether the same configuration of vehicle is commercially available as a ZEV, NZEV, or hydrogen fuel cell vehicle. Make, model, weight class, and configuration are needed for CARB to correctly identify the vehicle being replaced. The photograph is necessary to enhance enforceability of the requirement by preventing misrepresentation of the vehicle configuration.

The ZEV information required for a commercially available ZEV with the highest rated energy capacity is needed to ensure the vehicle is a suitable replacement for the ICE vehicle. Make, model, weight class, configuration, and rated energy capacity are all necessary to identify the proposed replacement vehicle and its potential to be a suitable replacement.

The range calculations are necessary to identify which ZEVs would have enough rated energy capacity to meet the fleet's range needs. The rated energy capacity must be converted to miles of range and can be done with the provided conversion factors. The factors were established from in-use and dynamometer data across a wide range of vehicle types and classes in the report "Battery Electric Truck and Bus Energy Efficiency Compared to Conventional Diesel Vehicles". These factors rely on the same source data as the factors used in CARB's cost analysis for this staff report but are slightly different due to simplification needed for the cost analysis. The calculations and results are necessary to submit so CARB can assess them and ensure calculations were performed correctly.

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For vehicles that operate truck mounted or integrated equipment while stationary, in lieu of calculating the needed rated energy capacity based on vehicle miles travelled, the needed rated energy capacity is the same as the optionally submitted measured ZEV energy use of section 2013.1(b)(6).

The daily usage report is necessary to show how the ICE vehicles of the type needed are typically operated by the fleet and must be for all ICE vehicles of the same type to determine whether there are any routes in which available ZEVs can be placed.

It is necessary to establish for how long, from what period, and the method by which fleet owners must track daily vehicle usage. It is necessary to receive data from within the last 12 months and for a period of 30 work days to have a representative, recent sample to analyze that does not include days the vehicle is not operated to prevent skewing in the data. It would provide a reasonable snapshot of a vehicle's operational profile while minimizing tracking burden from a longer period.

Specifying that telemetry data or other industry accepted method of data collection may be used is necessary to provide a straightforward way for fleet owners to supply data they already collect to satisfy this requirement. Telemetry data is accurate, verifiable, and auditable; other daily mileage tracking methods are also acceptable and necessary because not every fleet will have telemetry data available, and the data collected must be auditable for implementation of the provision and enforcement purposes.

Including daily miles travelled, or equipment usage information when appropriate for vehicles specified in section 2013.1(b)(4)(A), is necessary to establish the needed range or energy capacity of the ICE vehicles. Identifying the lowest mileage reading from the vehicles and days reported and removing the top three values establishes the needed range or energy capacity that meets up to 90 percent of the fleet's daily usage needs for 30 consecutive work days without changing the way vehicles are assigned. Staff expect fleets subject to the proposed ACF regulation to have enough flexibility in their route and fleet management to adjust where 90 percent of the fleet's daily needs could be met by an available ZEV, and thus would only grant the exemption if the calculated ZEV range is less than 90 percent of the fleet's daily needs. This provision ensures fleets are adjusting their operations where feasible to accommodate the newer technology and gaining experience with ZEVs. As technology improves over time, staff expect available ZEVs will meet most fleets' comparative ICE vehicle operational needs.

The allowance for fleets to submit documentation from ZEV manufacturers or in-service ZEV data to substantiate their exemption request is necessary because they provide additional information to enhance the fleet's exemption claim.

The criteria requiring a description of daily routes, assignments, and explanations of why ZEVs cannot be fueled within one mile of normal routes, at the home bases, or during the workday is necessary to gather a full picture of the fleet's operational profile and makes it clear that fleet owners are expected to make some reasonable adjustments to their normal operation to utilize ZEVs effectively in their operations. Understanding the fleet's operations will help staff and fleet owners identify practical options where available ZEVs may fit into the fleet's routes. Information gathered from this criterion will help identify barriers and solutions for future vehicle deployments.

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It is necessary to allow fleet owners to optionally submit measured ZEV energy use data from other ZEVs in the fleet to help substantiate exemption claims. While not every fleet may have ZEVs, those that do may have specific data comparing ZEV capabilities to ICE vehicle capabilities on similar assignments. This data can expedite the review process for the exemption and provide a more direct comparison for staff to evaluate. It is necessary to require specific optional information because loading and weight data, route grades, ambient temperatures, and state of charge if applicable at the beginning and end of the shift all affect ZEV operational characteristics and helps staff contextualize the data when evaluating the daily usage reports.

Section 2013.1(c), 2013.1(c)(1-4). Infrastructure Construction Delay Extension

Purpose

The purpose of this section is to set forth the requirements for the Infrastructure Construction Delay Extension. A fleet owner may apply for this extension if they experience construction delays beyond their control on a project to purchase ZEVs and install ZEV charging or fueling stations. The Executive Officer will grant a single extension per project to delay the vehicle delivery for one year if they determine the fleet owner satisfies the criteria for the delay, based on the information submitted below and the exercise of good engineering judgment. The fleet owner must submit the following by email to TRUCRS@arb.ca.gov to apply:

- Submit documentation showing the executed contract for the infrastructure installation with a construction project start date at least one year prior to the next immediately applicable compliance date for the purchased vehicle.
- Submit documentation showing the delay is a result of any of the following circumstances beyond the fleet owner's control after obtaining construction permits: change of a general contractor; delays obtaining power from a utility; delays due to unexpected safety issues; discovery of archeological, historical, or tribal cultural resources described in the California Environmental Quality Act Public Resources Code Division 13, Section 21000 et. seq; or natural disasters.
- Submit a letter to CARB from the responsible official explaining the reason for the delay, why retail infrastructure cannot be used, the estimated completion date of the project, and documentation supporting the reason for the delay from the licensed contractor performing the work, related utility, building department, or other organization involved in the project.
- Documentation showing the executed ZEV purchase agreement.

Rationale

This section is necessary to address situations where fleet owners have begun construction on a ZEV infrastructure project and run into construction delays outside the control of the fleet owner. The provision prevents ordered ZEVs from being delivered and being unable to operate because of delays in installing the infrastructure.

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It is necessary to limit the allowed infrastructure projects to battery electric vehicle charging stations and hydrogen stations because these are the only currently known types of ZEV infrastructure installations.

Granting a single one-year exemption per project allows fleets flexibility to apply for the exemption for each infrastructure project they engage in, while preventing multiple extensions for the same project. Staff expect most infrastructure projects to complete within two years, and because the project was started at least a year in advance of applying for the extension, the year extension provides sufficient time to complete construction while addressing the unforeseen delay.

It is necessary to allow the Executive Officer and their good engineering judgement to assess applications because CARB needs to analyze submitted information and data to determine whether the provision criteria have been met.

It is necessary to specify fleet owners submit applications through the TRUCRS@arb.ca.gov email because that is the email staff will monitor for applications. Email submissions simplify implementation and ensure expedient review..

The delay must be for reasons beyond a fleet owner's control so as not to create a loophole. Fleet owners must obtain construction permits before construction can begin, necessitating the requirement that permits have already been obtained. The listed criteria are necessary as general contractors can pull out of projects, utilities can experience unforeseen delays getting power to a facility, and unexpected conflicts with safety requirements are possible. CEQA requires additional time when artifacts are discovered during construction to assess cultural significance and uniqueness, and if they are significant or unique, time to excavate and analyze the artifacts.

Signed letters from responsible officials and contractors are necessary to ensure the reasons for the delay are consistent and explained to CARB to assess the need for the exemption. Retail infrastructure, if available, should be used because the exemption would not be needed if there is sufficient public fueling available. The explanation must include a description of why retail infrastructure could not be used because fleets may have ordered vehicles that cannot use the infrastructure; however, smaller vehicles can typically charge at public stations and should do so where available. The completion date of the project is needed to determine whether the year extension is sufficient.

The executed ZEV purchase agreement is needed to ensure the fleet met the requirement that ZEVs were ordered at least one year in advance of the next applicable compliance deadline.

Section 2013.1(d), 2013.1(d)(1-5), 2013.1(d)(4)(A-B). ZEV Unavailability Exemption

Purpose

The purpose of this section is to set forth the requirements for the ZEV Unavailability exemption. The Executive Officer will maintain a list of vehicle configurations that are eligible for this extension on the CARB Advanced Clean Fleets webpage. The list will include

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commercially unavailable vehicles with a GVWR greater than 14,000 lbs. and will not include pickup trucks, two-axle buses, box trucks, vans, or any tractors. Fleet owners may replace existing ICE vehicles with vehicles on the list without submitting an exemption request. To use the exemption, fleet owners must:

- Verify the vehicle in the weight class and configuration being replaced is listed on the CARB Advanced Clean Fleets webpage as commercially unavailable.
- Comply with the reporting and recordkeeping requirements of sections 2013.2(g) and 2013.3(e).

The following describes the criteria for adding or removing vehicles to the list. Fleet owners or vehicle manufacturers may request the Executive Officer to add or remove vehicles from the list if the conditions of this section have been met. The Executive Officer will rely on the information submitted below and their good engineering judgement in determining whether to add vehicles to the list. The vehicle will be added to the list unless the ZEV or NZEV is commercially available as a complete vehicle or is certified for sale in California. The applicant must submit the following by email to TRUCRS@arb.ca.gov to request a vehicle configuration be added to the list:

- Submit the make, model, weight class, configuration, a photograph, and a specifications sheet to show the vehicle is commercially available as an ICE vehicle.
- For each commercially available ZEV or NZEV chassis in the same and next higher weight class that is certified for sale in California, show the chassis cannot be equipped in the applicable configuration. For example, if a Class 4 vehicle is needed, the following information must be submitted for Class 4 and Class 5 chassis. To do so, applicants must submit either of the following:
 - o A signed statement or email from the vehicle manufacturer stating the chassis is not compatible with the applicable configuration and for what reasons; or
 - o A signed statement or email from each authorized installer of the needed vehicle body stating that for each available ZEV or NZEV chassis, the installer attempted and failed to configure the body on the chassis without violating safety standards prescribed under title 8, CCR by the California Department of Industrial Relations, Division of Occupational Safety and Health, comparable federal or state health and safety laws where the vehicle operates, or federal highway safety laws. The statement must identify which of these safety laws or standards would be violated and for what reasons.
- If the Executive Officer determines the conditions specified in section 2013.1(d)(4) are no longer met the vehicle configuration will be removed from the list six months after the determination is made and the configuration is considered commercially available.

Rationale

This exemption is necessary to address situations where ZEV or NZEVs are not commercially available for fleets to purchase in needed configurations. If ZEVs or NZEVs are not commercially available, fleets must have flexibility to replace existing vehicle with lower emitting commercially available vehicles to meet their operational needs.

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To simplify implementation of this exemption, CARB will host a list of vehicle configurations considered commercially unavailable on the website. This will be an easily accessible location for fleets to check whether a vehicle they want to purchase is considered unavailable. A centralized database helps streamline the exemption request process compared to fleets individually submitting requests. This also helps CARB implement the provision by having a single location to aggregate availability information sent to CARB. The requirement for fleet owners to report and recordkeeping is necessary because specific information is required to be reported and kept by fleets that use this exemption to document which vehicles were purchased under the exemption.

It is necessary to limit the provision to Class 4 and above vehicles because Class 2b and 3 vehicles are already commercially available as ZEVs in a range of vehicle configurations and would not be listed as unavailable. This approach is necessary to simplify implementation of the exemption by reducing the burden of assessing unwarranted requests for the exemption and the objective is to identify vehicle configurations that are not available while providing easy to understand categories that fleets can recognize.

It is necessary to limit the provision to vehicles that are not pickups, vans, box trucks, buses, or tractors because these vehicles are already commercially available to purchase from multiple manufacturers in multiple configurations, and more have been announced to soon be commercially available.

Providing the Executive Officer authority to add or remove vehicles from the list is needed because CARB is responsible for making the determination whether information submitted passes all criteria for being added to or removed from the list. It is necessary to allow the Executive Officer and their good engineering judgement to assess applications because CARB needs to analyze submitted information and data to determine whether the provision criteria have been met and assessed for the appropriate vehicle configuration.

It is necessary to make it clear the list will not include ZEVs or NZEVs that are commercially available in a given configuration or certified for sale in California because the list is strictly for unavailable vehicles. This also makes it clear that when vehicles are available in a given configuration, it does not belong on the list and that list is strictly based on the vehicle configuration regardless of manufacturer.

Applications must be submitted by email through the TRUCRS@arb.ca.gov email because that is the email staff will monitor for applications. Email submissions simplify implementation and ensure expedient review..

Vehicles must be commercially available as ICE vehicles because the ICE vehicle must be purchased in the same needed configuration to ensure that a "higher standard" is not applied to ZEVs. It would not be reasonable to expect manufacturers to bring such a configuration to market that does not already exist as an ICE vehicle. Additionally, fleets would not be able to buy an ICE vehicle of the needed configuration per the exemption criteria if it does not exist so issuing an exemption to purchase something that does not exist as an ICE vehicle is pointless. The make, model, weight class, and configuration are needed to identify the type of vehicle to clearly identify what vehicle is being considered and would receive an extension. The information is necessary to determine whether the vehicle is already being sold as a ZEV and is necessary to make clear to manufacturers and other

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interested parties what vehicles are equivalent. The photograph and specifications sheet are to ensure the configuration described match the ICE vehicle.

Applicants must show that each commercially available ZEV or NZEV chassis certified for sale in California are not able to be equipped in the needed configuration in both the original weight class of the needed vehicle and the next weight class up. This is necessary to ensure applicants' due diligence in seeking out all available chassis and to ensure reasonable options are considered in selecting a vehicle. CARB will not add a vehicle to the list if it is available. The weight class requirement is necessary because ZEV or NZEV powertrains today can weigh more than ICE vehicle drivetrains and the difference from one weight class to another is one pound. Though weight is generally not an issue for vehicles with less than 150 miles of range, it can be a consideration for higher mileage ZEVs. Staff expect weight for ZEVs to reduce over time for a given range, in the early market it is necessary to ensure applicants consider ZEVs that may be in the next weight category.

It is necessary to require a signed statement or email from vehicle manufacturers stating the chassis is not compatible with the configuration to inform CARB for what reasons the chassis cannot be configured. Vehicle manufacturers are the authority for what bodies their chassis are compatible with and whether they are certified for a given application. Such a statement from the manufacture directly confirms the configuration is not available from that ZEV manufacturer.

The authorized installer criteria are necessary to establish that no bodies can safely be installed on the available chassis. It is necessary to require specific safety codes be referenced to enhance enforcement. Because vocational body manufacturing is typically not vertically integrated with the chassis design, staff cannot foresee every possible challenge with integrating truck bodies or equipment with available zero-emission chassis. To the extent they occur, this language would address a situation that is not feasible.

The date that vehicles will be removed from the CARB list is established by the last criteria for the exemption. Six months of lead time is reasonable for fleets to become aware of vehicles being removed from the list and to allow time for bid processes that have already begun to place orders with manufacturers for ICE vehicles.

Section 2013.1(e), 2013.1(e)(1-4). Mutual Aid Assistance

Purpose

The purpose of this section is to establish the requirements to apply for the Mutual Aid Assistance exemption. Fleet owners may apply for this exemption if they have a mutual aid agreement to send vehicles to assist other entities during a declared emergency event and at least 75 percent of their California fleet is comprised of ZEVs. The exemption is limited to replacing vehicles with a GVWR greater than 14,000 lbs. and does not apply to pickup trucks, buses, box trucks, vans, any tractors, or any vehicle configurations commercially available as NZEVs. The Executive Officer will rely on the information submitted in sections 2013.1(e)(1-4) and their good engineering judgment in determining whether to approve the exemption. The fleet owner must do and submit the following by email to TRUCRS@arb.ca.gov to apply:

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- Submit the make, model, weight class, configuration, and photograph of the ICE vehicle to be replaced.
- For each commercially available ZEV or NZEV complete vehicle or incomplete chassis in the same and next higher weight class that is certified for sale in California, submit the following: documentation from the manufacturer and all mobile fueling providers with compatible mobile fueling options to show the vehicle or chassis cannot be refueled with compatible mobile fueling options that would fuel from 10 to 80 percent of the ZEV's rated energy capacity within 1 hour of fueling time; a signed statement or email from the vehicle manufacturer stating the chassis is not compatible with the applicable configuration and for what reasons; or a signed statement or email from each authorized installer of the needed vehicle body stating that for each available ZEV or NZEV chassis, the installer is unable to configure the body on the chassis without violating safety standards prescribed under title 8, CCR by the California Department of Industrial Relations, Division of Occupational Safety and Health, comparable federal or state health and safety laws where the vehicle operates, or federal highway safety laws. The statement must identify which of these safety laws or standards would be violated and for what reasons.
- Submit a copy of the mutual aid agreement in effect with other entities to assist with affected vehicles during declared emergency events.
- Submit a letter to the Executive Officer that has an explanation of the reason for the exemption request.

Rationale

This provision is necessary to address situations where fleets need to assist in emergencies outside normal service areas, including assisting with disasters in other states where ZEV range and limited ZEV fueling infrastructure may present a risk to limit the ability to respond to emergency events.

Mutual aid agreements are official documents that enable resource and asset sharing to combat emergency situations where a fleet with jurisdiction needs additional resources. It is necessary to require that fleets applying for this provision have one in place to ensure the exemption is not claimed for unjustified or unsupported reasons. This helps protect the expected emissions benefits of the regulation by limiting potential loopholes.

Staff expect ZEV range and fueling times to improve as technology advances and the need for an exemption will diminish as infrastructure is built out over time such that the exemption may not be needed. However, this provision is necessary to address these safety concerns if needed in the future. For most fleets, given the compliance options, it is likely that this provision would not be able to be used until the 2030 timeframe since most fleets wouldn't be at 50 percent ZEVs until then, when vehicles will be more ubiquitous, available, and infrastructure will be more widespread. The provision does not apply to pickup trucks, buses, box trucks, vans, any tractors. because they are ubiquitous and can readily be rented if needed and are not specialized equipment that would be difficult to access in a relatively short turnaround time. Additionally, fleets with lighter vehicles can already use light duty vehicle stations and are likely to have access to public fueling anywhere by the time the exempt may be requested.

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The 75 percent criterion is necessary to ensure the exemption is not claimed when a high proportion of the fleet are still ICE vehicles. In meeting with stakeholders that have mutual aid agreements, several utility fleets have indicated they historically have deployed a maximum of 20 percent of the fleet at any one time to serve mutual aid needs, as the majority are still needed to serve their normal service areas. Allowing the fleet to purchase up to 25 percent ICE vehicles pursuant to this provision is necessary and adequate to provide flexibility to serve future mutual aid needs. Most fleets are expected to have more the 50 percent ICE vehicles in their fleet by 2030 and would still have ICE vehicles after 2035.

It is necessary to limit the provision to Class 4 and above vehicles because Class 2b and 3 vehicles are already commercially available as ZEVs in a range of categories. The vehicles are not specialized and can easily be rented if needed, and Class 2b and 3 vehicles can typically use light-duty ZE refueling infrastructure because of the smaller vehicle footprint. ICE vehicle Additionally, declared emergency events tend to be multiple week or month events, and responding entities could transport lighter ZEVs to the location to operate locally if infrastructure is available. This approach simplifies implementation by reducing the burden of assessing exemption requests for vehicles that are readily available as rentals and are able to utilize existing light-duty ZE infrastructure. The provision is intended for more specialized vehicles that cannot be easily rented.

This provision is not available for any vehicle type commercially available as an NZEV because NZEVs are not limited by range or infrastructure constraints, as they can refuel at combustion fuel sources which are widely available nationwide. It is necessary to show no NZEVs of the needed configuration are available to limit the exemption to situations where ZEV range and fueling are the primary limitations to mutual aid response.

It is necessary to allow the Executive Officer and their good engineering judgement to assess applications because CARB needs to analyze submitted information and data to determine whether the fleet composition and other provision criteria have been met.

Applications must be submitted by email through the TRUCRS@arb.ca.gov email because that is the email staff will monitor for applications. Email submissions simplify implementation and ensure expedient review..

The make, model, weight class, configuration, and a photo are needed to identify the type of vehicle and for CARB to ensure the ICE vehicle is the correct type to receive the exemption. The photograph and specifications sheet are to ensure the configuration described match the ICE vehicle.

Fleet owners must submit information for all available ZEVs or NZEVs of the needed type to ensure due diligence in seeking out ZEVs capable of serving these emergency events. Additionally, this streamlines implementation and reduces the staff needs to assess these requests. Mobile fueling options are a potential solution to the lack of readily available permanent ZEV infrastructure in emergency areas. Mobile ZEV fueling options for both electric and hydrogen fuels are being developed and commercialized. If mobile fueling is available that can reach 80 percent of the rated energy capacity in one hour, there would not be a need for this flexibility option because the ZEVs would not have any range or infrastructure limitations.

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A copy of the mutual aid agreement is necessary to ensure the provision criteria are met, and the explanatory letter is necessary to help CARB to understand the fleet's exemption request and to provide the needed information to implement and enforce the provision's criteria.

Section 2013.2 State and Local Government Fleet Reporting

Purpose

The purpose of this section is to inform fleet owners of the reporting requirements of the proposed ACF regulation, including reporting deadlines, acceptable methods, and required information.

Rationale

Beginning in 2024, affected fleets would need to report and keep records on certain information about the vehicles they operate or control in California. Reported vehicle information includes details necessary to enforce and track compliance with the proposed ACF regulation. This section is necessary because state and local fleets need to have a standardized method to report information and data to staff so the proposed ACF regulation is enforceable. Reported data and information can also help staff track compliance and determine if the proposed ACF regulation is meeting its stated objectives.

Section 2013.2(a) Method of Reporting

Purpose

The purpose of this section is to require that report submitted to comply must be submitted online to the Executive Officer through CARB's Advanced Clean Fleets webpage.

Rationale

This section is necessary to establish the requirement that fleets report information required by the proposed ACF regulation online through CARB's reporting webpage. This approach is necessary because online reporting allows for validation of data entered in the system.

Section 2013.2(b) Reporting Deadline and End Date

Purpose

The purpose of this section is to establish the reporting deadlines, annual reporting period, and the end date of the reporting requirements. No later than April 1 of each year until April 1, 2045, fleet owners must annually submit a compliance report the California fleet composition as of January 1 of each year. The initial report must be submitted by April 1, 2024.

Rationale

This section is necessary to establish the annual reporting start date, annual deadline, and end date for the reporting period. April 1, 2024 as a start date is necessary because the proposed ACF regulation begins April 1, 2024, and CARB would need information about the composition of the fleet reported to determine compliance. Staff selected April 1 as the reporting time frame because other regulations already require reporting during other months of the year, and stakeholders requested staff spread out reporting dates to help mitigate impacts of concurrent reporting due dates. April 1, 2045 was selected as the end date of reporting because the proposed ACF regulation implementation timeline would end in 2045, and no further reports would be needed to continue complying with the proposed ACF regulation. It is necessary to have reports show the fleet composition each year as of January 1 because the compliance deadlines are based on the fleet composition as of January 1, and CARB needs that information to be able to determine compliance.

Section 2013.2(c)(1), 2013.2(c)(1)(A-H). Fleet Reporting, Entity Information

Purpose

The purpose of this section is to inform a fleet owner they need to report the following entity information: the name of the State or local government primary agency; the entity's physical and mailing address; the name, phone number, and email of the person designated as the contact; applicable operating authority numbers; the jurisdiction; and the name of the responsible official.

Rationale

This section is necessary because the entity identification and contact information is needed for CARB to identify the regulated entity for implementation, audit, or enforcement of the proposed ACF regulation. This section is also necessary because this information provides CARB staff with the name, mailing address, phone number, email of the contact person(s) for notification purposes, or to direct questions to. The responsible official is necessary to identify because it is the person who is responsible for the accuracy and legitimacy of reported information. The operating authority numbers are necessary as they are unique identifiers for each regulated entity.

Section 2013.2(c)(2), 2013.2(c)(2)(A-L) Vehicle Information

Purpose

The purpose of this section is to let a fleet owner know they need to report the following information for each vehicle in the California fleet: vehicle identification number (VIN); vehicle make and model; vehicle model year; vehicle license plate number and state or jurisdiction of issuance; vehicle GVWR (Greater than 8,500 lbs. and equal to or less than 14,000 lbs., greater than 14,000 lbs. and equal to or less than 26,000 lbs., or greater than 26,000 lbs.); vehicle

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body type; vehicle fuel and powertrain type; date vehicle was purchased; date vehicle was added to or removed from the California fleet; whether the vehicle will be designated under or was purchased pursuant to any exemption or extension provision of section 2013.1; odometer or hubodometer readings; and funding contract start and end date for vehicles purchased with California State-funding if the vehicle is to be excluded during the funding contract period as specified by the funding program.

Rationale

This section is necessary because identifying information for vehicles that comprise the fleet owner's California fleet are essential for tracking compliance with the proposed ACF regulation or for providing information on any enforcement actions.

The VIN, make and model, model year, and license plate number all are necessary identifying information for enforcement purposes. GVWR, vehicle body type, fuel and powertrain type, purchase date, added or removed date; and whether the vehicle is using any exemption or extension all are necessary for staff to determine compliance with the ZEV requirements and to verify proposed provisions and criteria are met.

Staff also needs the contract start and end date for vehicles purchased with California State-funding if the vehicle is to be excluded during the funding contract period as specified by the funding program to determine compliance with the ZEV purchase requirements.

Odometer or hubodometer readings are necessary to determine compliance with the backup vehicle exemption and Model Year Schedule compliance option.

Sections 2013.2(d). Joint Compliance Reporting

Purpose

The purpose of this section is to inform entities that choose to comply jointly per section 2013(j) each individual department, division, district, subsidiary, or agency must report separately and include the CARB-issued ID number of the primary controlling corporate parent, joint venture business, or designated primary entity.

Rationale

This section is necessary to set forth reporting requirements that enable staff to identify which fleets belong to which jointly complying group of entities. This enables proper calculation of compliance for the group while keeping entity reports separate so their individual compliance can be determined if the group fails to comply. The CARB-issued ID number is necessary to report as it is the unique identifying marker used in CARB's reporting systems. It is necessary for the reported ID number to be for the primary entity because this enables staff to track the primary controlling entity associated with individually reported entities and calculate group compliance.

Section 2013.2(e), 2013.2(e)(1-4). Changes to an Existing Fleet

Purpose

The purpose of this section is to let a fleet owner know any changes to their fleet needs to be reported to CARB within 30 calendar days of when the change occurred. The changes include when a vehicle is added or permanently removed from service; when a backup vehicle exceeds the allowable mileage; and when an ICE vehicle was repowered or converted to ZEV.

Rationale

This section is necessary to ensure that compliance with the proposed ACF regulation can be verified or essential information is available for any enforcement action. The requirement that changes to the fleet must be reported within 30 calendar days provides a reasonable timeframe for a fleet owner to report any changes that might have an affect compliance.

Section 2013.2(f), 2013.2(f)(1-3), 2013.2(f)(2)(A). Odometer Reading Reporting

Purpose

The purpose of this section is to inform a fleet owner that has backup vehicles that they are required to annually report the mileage reading and the date the reading was recorded from a properly functioning odometer; and for any backup vehicles used in emergency operations due to a declared emergency event, the fleet owner must report the number of miles travelled in support of the emergency if the vehicle would exceed the backup vehicle mileage limit for that year.

This section also includes a provision in the event that the odometer is replaced, the fleet owner must report the following within 30 calendar days of the original odometer failure: the original odometer's final reading, the new odometer's initial reading, and the date of replacement. If the vehicle's odometer is not functional, then the fleet owner can report the serial number from a hubodometer with a non-resettable odometer.

Rationale

Backup vehicles are exempt from the proposed ACF regulation requirements. This reporting provision is needed to provide proof and ensure all fleet owners are reporting accurate milage to qualify for this exemption. Backup vehicles can be deployed by fleet owners to provide emergency operations during a declared emergency event. This section is necessary to establish the requirement to report the vehicle miles accrued during a declared emergency event because those miles are excluded from the annual milage calculation to determine whether a vehicle qualifies as a backup vehicle. Additionally, only requiring reporting of emergency miles travelled when the operations would exceed 1,000 miles annually helps reduce unnecessary reporting burden.

This section also establishes the type of measurement device (odometer) as well as an alternative measurement device (hubodometer) that can be used to measure the mileage. This section includes a 30-calendar day notification if the backup vehicle odometer fails and is replaced. The requirement that failed odometer be reported within 30 calendar days provides a reasonable timeframe for a fleet owner to report any changes that might have an affect compliance.

Section 2013.2(g), 2013.2(g)(1-4). ZEV Unavailability Supporting Documentation Reporting

Purpose

The purpose of this section is to inform fleet owners who purchase an ICE vehicle pursuant to the ZEV Unavailability exemption of section 2013.1(d) that they must submit an email to TRUCRS@arb.ca.gov with the purchase agreement and the following clear and legible digital photographs of: VIN/GVWR label (typically located on the driver side door or door jamb); license plate with side of the vehicle visible; entire left side of the vehicle with doors closed showing the vehicle's body configuration; and entire right side of the vehicle with doors closed showing the vehicle's body configuration.

Rationale

This section is necessary to set forth requirements for documentation submission to show that the ICE vehicle purchased pursuant to the exemption is the same weight class and configuration of the unavailable ZEV or NZEV. The photographs and angles are necessary to capture a complete picture of the vehicle for staff to audit and to ensure the vehicle is the same reported with the VIN and license plate visible. Digital photos are necessary to specify for the fleet owner acceptable photo formats for submission; print or physical copies cannot be emailed and must be converted into digital formats to submit. This additionally reduces administrative burden by preventing necessary keeping, tracking, and proper disposal of physical media.

Section 2013.2(h). Requirement for Signature

Purpose

The purpose of this section is to inform fleet owners that all reports submitted to CARB electronically are deemed signed by the responsible official, and that hard-copy documentation submitted must be signed by the responsible official.

Rationale

This section is necessary to establish that CARB will consider electronic reporting as signed by the responsible official, which reduces administrative burden of dealing with hard copy forms. This section is also necessary to establish the requirement that hard copy forms submitted must be signed, which helps CARB ensure the reports submitted are considered by a fleet owner to be legitimate.

Section 2013.2(i). Method for Requesting and Approval of Exemptions or Extensions

Purpose

The purpose of this section is to inform fleet owners that requests and required information for Executive Officer consideration of the exemptions or extensions of sections 2013.1(b), 2013.1(c), 2013.1(d), and 2013.1(e) must be submitted via email to TRUCRS@arb.ca.gov. The Executive Officer will notify the fleet owner by email whether the exemption or extension request is approved within 30 calendar days from receipt of a complete submission.

Rationale

This section is necessary to establish the method by which fleets must submit requests and required information for the proposed exemptions and extensions. Applications and information must be submitted by email through the TRUCRS@arb.ca.gov email because that is the email staff will monitor for applications. Email submissions simplify implementation, and fleets subject to this proposed ACF regulation are expected to have internet access to submit applications. A timeframe of 30 calendar days necessary for staff to perform detailed analysis of submitted information and to allow for communication with applicants for clarification. Additionally, this allows for expanded capacity in processing applications, as it is feasible that multiple applications could be received and processed at the same time. The 30-day timeframe also provides a reasonably fast turnaround time for fleets that need a decision before moving forward with purchases. Limiting the 30-day timeframe to apply only when a complete application is submitted ensures staff have adequate time to assess the entirety of an applicant's complete submission.

Section 2013.3. State and Local Government Fleet Recordkeeping

Purpose

The purpose of this section is to inform fleet owners of the requirements for keeping records or documentation related to compliance with this proposed ACF regulation. The section also details that they must keep and provide documentation in electronic or paper formats described in section 2013.3 upon request or make them available to the Executive Officer within 72 hours of a request.

Rationale

This section is necessary to set forth the various recordkeeping and retention requirements of the proposed ACF regulation. These requirements ensure CARB can verify compliance with the proposed ACF regulation by allowing CARB staff to perform an audit; this information may also be needed for enforcement and to assess penalties for not providing records or for providing false information. The 72-hour timeframe provides a fleet owner with a reasonable amount of time to make records available to CARB staff while ensuring timely delivery and responsiveness to expedite enforcement activity. It is necessary to specify that records must

be kept in either electronic or paper formats to provide flexibility for fleet owners to keep the necessary records in whatever manner they already have the records in to minimize recordkeeping burden.

Section 2013.3(a), 2013.3(a)(1-4), 2013.3(a)(3)(A-D). Entity and Vehicle Documentation

Purpose

The purpose of this section is to inform a fleet owner, they must keep and provide the following documentation as it pertains to any vehicles in their California fleet: records of all vehicle information reported per section 2013.2; vehicle purchase, rental, and leasing documents, such as purchase agreements, orders, notices to proceed, leasing agreements, or rental agreements for the vehicles. Additionally, for all vehicles that have been removed from the California fleet, the fleet owner must keep and provide the following: if the vehicle is sold, a transfer of liability form filed with DMV, including the date of sale and mileage reading at the time of sale; if the vehicle is transferred out-of-state, but not sold, a copy of the out-of-state registration; if the vehicle is registered with DMV as non-revivable junked or dismantled, a copy of the registration demonstrating it was filed as such with DMV; and if the vehicle is sold or consigned to an auction house, a copy of the contract and the transfer of liability form filed with DMV, if applicable.

The emergency operation dispatch documentation section's purpose is to inform a fleet owner with backup vehicles exceeding annual mileage limits due to emergency operations that they must keep and provide records to document contract and dispatch by a local, State, or federal emergency management agency. Additionally, fleet owners must keep and provide records of any contracts with a company or agency that was dispatched by a government agency to support emergency operations.

Rationale

The section is necessary as staff needs these records to verify reported vehicle information as they relate to the proposed ACF regulation requirements. Vehicle purchase, rental, and leasing documents are necessary for staff to verify compliance with the proposed ACF regulation requirements which can be based on dates of purchase, rental agreement contract destinations, and leasing terms. Vehicle removal documentation is necessary for staff to verify the fleet's size to calculate compliance and to ensure that vehicles that have been claimed to be removed from the fleet actually are no longer operated in California.

The emergency operation dispatch documentation section is necessary for staff to verify that backup vehicles with emergency operations mileage were dispatched by the required official entities.

Section 2013.3(b). Operator Documentation

Purpose

The purpose of this section is to inform a fleet owner that they must keep and provide documentation that identifies the entity that is responsible to pay the driver who is not a State and local government agency employee and any applicable shipping documentation or other documentation that identifies the origin and destination of the cargo and the pickup and termination destination of the cargo.

Rationale

The documentation is necessary for staff to verify the fleet owner or controlling party of a non-compliant vehicle for enforcement purposes in an audit.

Section 2013.3(c). Odometer Reading Documentation

Purpose

The purpose of this section is to inform fleet owners required to report odometer readings must keep and provide records of the vehicle miles traveled. Acceptable records are those provided in smoke opacity test results, Biennial Inspection of Terminals inspection records, fuel tax records, maintenance records, unaltered photograph of the odometer or hubodometer, or an on-board diagnostics system information download that includes the vehicle miles travelled or odometer information. Fleet owners of backup vehicles used in emergency operations in support of a declared emergency event must keep and provide records to document vehicle mileage accrued under contract in support of an emergency event.

Rationale

This section is necessary for staff to verify and audit the annual miles travelled and emergency miles travelled by vehicles designated as backup vehicles. All the listed record types are necessary because they show a vehicle's odometer reading. Providing multiple options gives flexibility to fleet owners to comply with documents they likely already collect.

Section 2013.3(d). Infrastructure Construction Delay Documentation

Purpose

The purpose of this section is to inform fleet owners utilizing the Infrastructure Construction Delay Extension to keep and provide copies of all documents, letters, contracts, and purchase agreements used to support their request and qualifications for the extension.

Rationale

This documentation is needed for staff to verify and audit information supplied to support a fleet's request to use the extension.

Section 2013.3(e). ZEV Unavailability Documentation

Purpose

The purpose of this section is to inform fleet owners utilizing the ZEV unavailability exemption to keep and provide documentation, purchase records, and other records used to qualify for the extension, records and photographs of the ICE vehicles purchased pursuant to the exemption, and any documentation to support adding or removing vehicles from the CARB list.

Rationale

This documentation is needed for staff to verify and audit information supplied to support a fleet's request to use the exemption. The documentation in this section is necessary for staff to assess when determining whether a ZEV should be removed from the unavailability list.

Section 2013.3(f). Documentation for Mutual Aid Assistance

Purpose

The purpose of this section is to inform fleet owners utilizing the Mutual Aid Assistance provision to keep and provide copies of all documents, mutual aid agreements, publicly issued bids and requests for information, and letters used to support their request and qualifications for the exemption.

Rationale

This documentation is needed for staff to verify and audit information supplied to support a fleet's request to use the exemption.

Section 2013.3(g). Hiring Entity Documentation

Purpose

The purpose of this section is to inform hiring entities that are subject to the proposed ACF regulation per section 2013(a)(2) must keep and provide certificates of reported compliance or signed statements received from hired fleets used to verify that hired fleets are compliant with the applicable regulations. Additionally, hiring entities must keep and provide copies of contracts with hired entities that include the disclosure of regulation applicability required by section 2013(i)(2).

Rationale

This section is necessary for staff to verify and audit any records used by the entity to verify their hired fleets' compliance with CARB regulations.

Section 2013.3(h). Daily Usage Exemption Documentation

Purpose

The purpose of this section is to inform fleet owners utilizing the daily mileage exemption to keep and provide copies of all documents, data, letters, and analysis used to support their request and qualifications for the exemption.

Rationale

This documentation is needed for staff to verify and audit information supplied to support a fleet's request to use the exemption.

Section 2013.3(i). Retention of Records

Purpose

The purpose of this section is to inform a fleet owner that records of reported information required in reporting section 2013.2, and documentation required in record keeping section 2013.3, must be kept by the fleet owner and made available to CARB staff for audit for a period of eight years from the date the information is used to demonstrate compliance.

Rationale

This section is necessary to provide a sufficient historical record for staff to verify and audit compliance. The proposed ACF regulation's implementation timeframe ranges over 20 years. For fleets to be considered in compliance, they must have remained in compliance with the proposed ACF regulation requirements. Having historical records allows staff to verify past compliance. Eight years is a reasonable timeframe to allow for auditing past compliance while balancing regulated party's burden of recordkeeping. Eight years also aligns with other CARB regulation record retention requirements, such as that required in the Advanced Clean Trucks or the Phase 2 Greenhouse Gas regulations.

Section 2013.4. State and Local Government Fleet Enforcement

Purpose

The purpose of this section is to set forth the rights of CARB to audit a fleet owner's records, the authority of CARB to enforce the provisions in this proposed ACF regulation.

Rationale

This section is necessary to inform a fleet owner that all responsible parties subject to regulatory requirements are accountable when violations are identified, to easily identify compliance, and include clear consequences for non-compliance. CARB reserves the right to verify compliance with this proposed ACF regulation by auditing a fleet owner's records.

Section 2013.4(a). Severability

Purpose

The purpose of this section is to inform a fleet owner that, if any section, paragraph, subparagraph, sentence, clause, phrase, or portion of this proposed ACF regulation is, for any reason, held invalid, unconstitutional, or unenforceable by any court of competent jurisdiction, such portion shall be deemed as a separate, distinct, and independent provision, and such holding shall not affect the validity of the remaining portions of the proposed ACF regulation.

Rationale

This section is necessary to protect the entire proposed ACF regulation from being invalidated by small mistakes or errors in severable sections.

Section 2013.4(b). Penalties

Purpose

The purpose of this section is to inform a fleet owner that, any person who fails to comply with the performance requirements of this proposed ACF regulation, who fails to submit any information, report, or statement required by this proposed ACF regulation, or who knowingly submits any false statement or representation in any application, report, statement, or other document filed, maintained, or used for the purposes of compliance with this proposed ACF regulation may be subject to penalties.

Rationale

This section is necessary to provide notice to the regulated community and establish that penalties may be imposed for failing to comply with all regulatory requirements, failing to report, or for submitting false information for the purposes of compliance.

Section 2013.4(c). Right of Entry

Purpose

The purpose of this section is to inform a fleet owner that, an agent or employee of CARB, upon presentation of proper credentials, has the right to enter any motor carrier, broker, or

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hiring entity facility (with any necessary safety clearances) where vehicles are located or vehicle records, including hiring and brokering records, are kept to verify compliance.

Rationale

The reason for this section is to ensure a CARB staff has access to vehicle records while conducting an audit.