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18-TRAN-01 SB 114 Funding Available for Zero Emission School Buses and Infrastructure

Additional submitted attachment is included below.

April 17, 2024

California Air Resources Board
1001 I Street
Sacramento, CA 95815

Re. Proposed Plan for SB 114 Funding Available for Zero-Emission School Buses and Infrastructure

Dear California Air Resources Board Members and Staff,

Thank you for the opportunity to provide our comments and recommendations on the proposed plan for SB 114 Funding Available for Zero-Emission School Buses and Infrastructure. We greatly appreciate the California Air Resources Board's (CARB) leadership in supporting and accelerating the transition to zero emission school buses.

The undersigned parties represent entities that serve school districts throughout the state of California and provide transportation services in the form of contracted fleet services and electrification-as-a-service models.

SB 114 does not enable local educational agencies that utilize our models (and therefore don't own their buses) to participate in the incentive program. Over thirty percent of existing school buses in the state are owned by a contractor or electrification-as-a-service provider and utilized for public school district student transportation.¹

The state has mandated that all LEAs purchase 100% zero emission school buses by 2035. Not enabling all districts to participate in this incentive program puts an unnecessary burden on certain LEAs over others, specifically urban school districts that are socio-economically disadvantaged and overly burdened by poor air quality created in large part by the transportation sector.²

Now more than ever, given budgetary constraints within the state, the way that the funding in SB 114 is distributed needs to be cost effective and demonstrate real success across all disadvantaged communities. To do that, the funding needs to be able to serve districts that utilize a variety of different models for electrification (this includes models where the district does not own the vehicles).

This also includes creating additional clarity around scrappage requirements within the program.³ In recent years, other states and the Federal government have developed programs that enable districts to feel more comfortable with the electrification process allowing them to electrify more of their fleet at a

¹ LAO, *The 2022-2023 Budget: Green School Bus Grants*. <https://lao.ca.gov/reports/2022/4525/green-school-bus-021022.pdf>.

² For example, people living in Los Angeles County are exposed to 60 percent more vehicle pollution than the state average. Chronic exposure to PM2.5 in children has also been linked to slowed lung-function growth, development of asthma, and other negative health impacts (Source: Union of Concerned Scientists, "Inequitable Exposure to Air Pollution from Vehicles in California").

³ For many districts, having a rigid scrappage requirement limits their ability to participate in a program, especially at scale because they are concerned about the technology and would like to keep some remaining vehicles that they trust within their fleet while they adjust to the new vehicles. In recent years, several school bus programs have adopted more flexible scrappage requirements that meet districts where they are.

given time.⁴ Our proposed revision provides a pathway to administering this program that enables increased flexibility while also addressing emissions leakage concerns.

Creating this flexibility will allow disadvantaged communities in both rural and urban areas that suffer from poor air quality to realize the emissions benefits of electrifying their school bus fleets AND may allow them to do it in a more cost effective way (e.g., instead of receiving an incentive that covers essentially the total cost of the bus, the state can cover the incremental cost of transitioning from a fossil fueled vehicle to an electric vehicle - enabling more electric school buses to be deployed by this program).

Programs throughout the country, including the Environmental Protection Agency's Clean School Bus Program, enable service models like ours to participate in grant and rebate programs on behalf of the public-school districts we serve.⁵

CARB should not penalize districts for not choosing an ownership path and should instead use other tools implemented in other states and the Federal government to ensure that the buses remain in the same district for a designated period so that the district can receive the benefits of the cleaner technology.⁶

We appreciate the opportunity to submit this letter and have included as an attachment our proposed revisions to SB 114.

Best Regards,

Carina Noble

Senior Vice President, National Express

Kevin Matthews

Head of Electrification, First Student

Jane Israel

Senior Western Regional Manager, Highland Electric Fleets

⁴ For example, EPA's Clean School Bus program allows districts to scrap vehicles that are not within the applicant's fleet but meet route and usage requirements. Colorado's Electric School Bus Program does not require districts to scrap buses for the first five buses they electrify and requires that a district retire or convert 20% of the vehicles requested per application. New York's school bus program does not require that a vehicle is scrapped and instead offers a greater incentive amount for districts that choose to scrap a vehicle.

⁵ EPA has enabled a broad ownership definition within their Clean School Bus Program. Eligible applicants within the program include public school districts, tribal communities and eligible contractors which are defined by the Infrastructure Investment and Jobs Act, Public Law 117-58 (42 U.S.C. 16091), as any for-profit, not-for-profit, or nonprofit entity that has the capacity (1) to sell, lease, license, or contract for service clean school buses, ZE school buses, charging or fueling infrastructure, or other equipment needed to charge, fuel, or maintain clean school buses or zero-emission school buses, to individuals or entities that own, lease, license, or contract for service a school bus or a fleet of school buses; or (2) to arrange financing for such a sale, lease, license, or contract for service. CARB could consider adopting a similar definition to EPA to give greater flexibility in ownership models within their program.

⁶ EPA requires that the electric school buses remain with the school district recipient for at least five years at which point the owner of the vehicle can choose to keep the vehicle within that district or move/sell the vehicle. Other programs, e.g. Colorado's Electric School Bus program, offer similar timelines to enable the benefits to be felt within a given community while still understanding that a school district or fleet operator may need to move a given vehicle at some point in the future.