

DOCKETED

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AC Transit Comment Letter on CEC Medium and Heavy Duty Zero-Emission Vehicles and Infrastructure

Additional submitted attachment is included below.



Alameda-Contra Costa Transit District

Mike Hursh, General Manager

July 30, 2024

Ms. Michelle Vater
Supervisor, Freight and Transit Unit
California Energy Commission
715 P Street
Sacramento, California 95814

Dear Ms. Vater:

On behalf of the Alameda-Contra Costa Transit District (AC Transit), we write to provide comments regarding Docket #19-TRAN-02 (Medium and Heavy-Duty Zero-Emission Vehicles and Infrastructure).

We appreciate the partnership that AC Transit has had with the California Energy Commission (CEC) in our joint commitment to move forward our respective climate change goals. The CEC has been an important stakeholder in advancing our zero-emission program and, as such, we appreciate this opportunity to provide feedback on the proposed MDHD Zero-Emission Vehicle Infrastructure Solicitation Concepts.

Public transportation is the vanguard of the state's greenhouse gas reduction strategy and, through the Innovative Clean Transit Regulation (ICT), faces one of the most prescriptive and time-bound transitions to zero emission vehicle (ZEV) technology in the state. It is also widely considered a "beachhead" for zero-emission technology which means that support of the technology in the public transit industry is critical to the overall medium and heavy-duty transition.

Given transit's critical role in jumpstarting industry change and the adoption of ZEVs, we feel it is important that the state prioritize supporting the investment necessary to meet the required transition of the fleet and infrastructure for a full-scale transition to ZEVs. Thus, it is important that the CEC ensure public transit eligibility and workability in funding opportunities, including the concepts proposed under this docket.

It is imperative to ensure public transit agencies are explicitly eligible to qualify for said funding concepts and are encouraged to apply wherever possible. Moreover, funding opportunities designed to incentivize the transition and transformation to a zero-emission industry should account for the complexity of public sector procurement processes and implementation. Since public transit agencies often have complex funding and contracting requirements, the requirements for using, reporting, and qualifying those funds are vastly more involved than those of a typical private fleet.

As the public sector often plays a key role in instigating market change but often has different timing requirements for implementation, it would be beneficial to the transportation sector as a whole to provide a set aside for the public transit industry for all relevant funding concepts. This would allow clarity and space for both the public and private sectors to more successfully align our goals and needs with the State's.

Beyond the actual capital needs of the transition to zero-emission technology, the importance of operating funding for our agency and our peers cannot be overstated. Even without fleet transition as required by the Innovative Clean Transit regulation, we face challenges to long-term fiscal sustainability while maintaining full coverage and reliable service on existing routes, let alone expanding service to advance towards state ridership targets.

Additional flexibility within CEC programs allowing to cover additional operating costs associated with transitioning to zero-emission technologies would enable public transit fleets to move more confidently towards new cleaner technologies without fear of impacting operations. Without additional support and predictability for the increased operating costs associated with fleet conversion, our plans to make long-term capital investments in zero-emission vehicles and infrastructure are at risk. Operating support for early public transit adopters is critical to kickstart the industry and unlock the capital investment that the CEC supports and advocates for while long-term efforts to reduce the costs of infrastructure and zero-emission fuel – particularly hydrogen – ramp up.

We recognize the enormous challenges in this work and commend the CEC for its efforts and leadership in this area. We appreciate the Commission's support of the public transit industry and look forward to our continued partnership.

Sincerely,



Michael Hursh

CEO/General Manager