



California Council for Environmental and Economic Balance

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June 5, 2024

Keith Roderick and Lori Berard
California Air Resources Board
1001 I Street
Sacramento, CA 95814

Submitted via [Regulatory Docket](#)

RE: Proposed Zero-Emission Forklift 15-Day Regulatory Package

Dear Mr. Roderick and Ms. Berard,

On behalf of the California Council for Environmental and Economic Balance (CCEEB), thank you for the opportunity to provide comments on the Zero-Emission Forklift 15-Day Regulatory Package (Proposed ZEF Regulation). CCEEB represents both on- and off-road mobile source operators as well as entities producing and delivering electricity, hydrogen fuel, and conventional fuel. As such, CCEEB has been actively participating in the development of the California Air Resources Board (CARB)'s zero-tailpipe-emission heavy-duty on-road and off-road regulations in the interest of ensuring a just transition to the next phase of California's transportation, goods movement, and energy ecosystem.

Infrastructure & Implementation Concerns

The Proposed ZEF Regulation is set to be implemented over the same time period as several other significant regulatory programs (CARB's Advanced Clean Fleets Rule (ACF), CARB's Ocean-Going Vessels At Berth Regulation (At Berth), In-Use Locomotive Regulation, and CARB's 2022 Amendments to the Transport Refrigeration Unit Airborne Toxic Control Measure that will 1) increase reliance on the grid, and 2) require increased coordination between fleets and the electric utilities. These zero-tailpipe-emission regulatory programs require nothing less than a fundamental transformation of the state's electrical, energy, and goods movement systems, and will require significant financial investment as well as collaboration between fleets and the electric utilities.

Increased Reliance on the Grid

As of 2019, prior to initiating rulemaking on ACF and the Proposed ZEF Regulation, California was the largest state importer of electricity in the US¹, positioning the state in an already untenable position with regard to electricity generation. Demand will only continue to increase following implementation of the rulemakings mentioned above. The 2022 Scoping Plan Update highlights the extensive challenges that lie ahead in the State's effort to simultaneously decarbonize and expand the electrical grid to support an electrified future. **CCEEB believes a workshop needs to be held in order to convene electrical utilities, fleets, and other stakeholders in order to discuss both grid readiness and regulatory requirements, in order for successful implementation to be achieved.**

Coordination between Fleets, Electric Utilities, and CARB

CARB's zero-tailpipe-emission regulatory programs, while sharing similar goals, are distinct in nature with differing requirements. However, these regulatory programs are often comingled with one another,

¹<https://www.eia.gov/todayinenergy/detail.php?id=46156#:~:text=California%20utilities%20partly%20own%20and,to%20the%20Los%20Angeles%20area>

leaving regulated entities unsure how to comply. In that regard, CCEEB respectfully reiterates our request from our December 2023 letter that **CARB staff hold a hybrid workshop in 2024 to assist electric utilities, and fleets operating vehicles and equipment subject to multiple zero-tailpipe-emission regulations understand:**

- **the applicability of each zero-tailpipe-emission regulation and the timelines for compliance with each;**
- **how CARB plans to implement provisions related to infrastructure requirements in each rule for those entities subject to multiple regulations; and**
- **anticipated policy efforts that could overlap with existing requirements.**

Such a workshop would be an opportunity to convene stakeholders to encourage dialogue and collaboration in the work electric utilities and fleets will need to do to facilitate California meeting its ambitious goals. Given the immediate need to resolve these issues to meet compliance deadlines for deployment of numerous zero emission regulations at CARB, we appreciate CARB's timely attention to this issue.

Specific comments regarding the Proposed Zero-Emission Forklift 15-Day Regulatory Package are included below.

Comments on Regulatory Language

§ 3006. Fleet Phase-Out Provisions for Fleet Operators and Rental Agencies.

CCEEB requests that the fleet phase out dates be pushed back 5 years to reduce the implementation overlap with the ACF rule. Several major zero-tailpipe-emission regulatory programs are being implemented simultaneously: CARB's Advanced Clean Fleets Rule (ACF), CARB's Ocean-Going Vessels At Berth Regulation (At Berth), In-Use Locomotive Regulation, and CARB's 2022 Amendments to the Transport Refrigeration Unit Airborne Toxic Control Measure. The timing of implementation of these programs requires significant capital investments from all industries subject to the regulations. For the overall implementation strategy of zero emission technologies, staggering implementation of the Proposed ZEF Regulation to a greater degree would prioritize ACF implementation, and reduce the financial strain on both industry and Californians, as costs will eventually be passed on to the general public in the form of higher prices.

§ 3007. Exemptions, Extensions.

CCEEB remains concerned that CARB does not account for prohibitive cost in any exemption or extension. Several major zero-tailpipe-emission regulatory programs are being implemented simultaneously: CARB's Advanced Clean Fleets Rule (ACF), CARB's Ocean-Going Vessels At Berth Regulation (At Berth), In-Use Locomotive Regulation, and CARB's 2022 Amendments to the Transport Refrigeration Unit Airborne Toxic Control Measure. The timing of implementation of these programs requires significant capital investments from all industries subject to the regulations. For the overall implementation strategy of zero emission technologies, a prohibitive cost exemption or extension would prioritize resources towards ACF implementation, and reduce the financial strain on both industry and Californians, as costs will eventually be passed on to the general public in the form of higher prices.

§ 3007 (a)(1) Low-Use LSI Forklift Exemption

CCEEB thanks staff for removing the provision that would have limited the low-use exemption to 2013 through 2025 MY LSI Forklifts.

CCEEB would like to reiterate our previous comments on the 45-Day package that the Proposed ZEF Regulation should clarify in §3007(a)(1) that low-use targeted forklifts are not only exempt from the

general LSI forklift prohibition of §3002(b), but also the phase-out provisions in §3006. CCEEB's interpretation of this requirement is that §3006 could be read as a standalone provision from §3002(b). The 15-Day changes did not clarify this confusion.

If CARB's interpretation is that an exemption from §3002(b) triggers exemption from §3006, then we would request CARB clarify this by simply writing the exemption into §3007(a)(1) and avoid any unnecessary ambiguity. If this is not the case, then CARB has not made this intention clear, and the regulated community would request an opportunity to comment on this specific requirement. Such an interpretation would effectively be more stringent than that December 31, 2030 sunset for low-use exemption. This ambiguity leaves the regulated community unsure how to comply.

Finally, CCEEB is unclear what emissions benefits would result from sunseting the low-use exemption on December 31, 2030. Occasional utilization of LSI Forklifts is and will be necessary for Fleet Operators to protect employees from utilizing riskier, more labor-intensive manual approaches to move heavy items. Low-use provisions will be necessary past 2030 for these Fleet Operators, and renting is not always an option when moving an item without advance notice as part of normal business operations. We ask staff to please clarify what emissions benefits would result from sunseting the low-use exemption.

§ 3007 (b)(4) Operational Extension

CCEEB appreciates staff's addition for an Operational Extension to be used to allow the replacement of an LSI forklift with another LSI forklift, even if the replacement is years in advance of the upcoming compliance date. We also appreciate the removal of the sunset date of January 1, 2038, for the Operational Extension, as CCEEB agrees that Operational Extensions may continue to be needed beyond that date.

CCEEB thanks staff for the additional text added to ensure that Fleet Operators encountering expiration or denial of an Operational Extension are eligible to apply for the Zero Emission Forklift Delivery Delay Extension, the Infrastructure Construction Delay Extension, and the Infrastructure Site Electrification Delay Extension, if needed.

§ 3011 General Requirements

CCEEB thanks staff for the removal of the prohibition on acquiring a Diesel Forklift as a replacement for a Class IV LSI Forklift or a Class V Forklift of a Rated Capacity up to 12,000 pounds. We raised this issue in our previously submitted comments and agree that the previous text could have caused confusion, and that Diesel Forklifts are already regulated under the In-Use Off-Road Diesel-Fueled Fleets Regulation.

Thank you for the consideration of our comments. Please feel free to contact me at allegrac@cceeb.org or 916-326-9890 for further information or discussion.

Sincerely,
Allegra Curiel



Senior Policy Advocate
CCEEB

cc: CCEEB Air Project Members