

**GENERAL CORRESPONDENCE**

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October 20, 2023

The Honorable Shawn M. LaTourette
Commissioner of Environmental Protection
New Jersey Department of Environmental Protection
401 E. State St.
7th Floor, East Wing
P.O. Box 402
Trenton, NJ 08625-0402

Dear Commissioner LaTourette:

NAFA, the Fleet Management Association, welcomes the ongoing opportunity to share our views regarding DEP Docket No. 01-23-07, Climate Change Mitigation and Monitoring Rules, Advanced Clean Cars II Program Proposed Rulemaking. NAFA has more than 3,000 individual fleet manager members from corporations, universities, government agencies (federal, state, and local), utilities, and other entities that use vehicles in their operations. NAFA members routinely purchase vehicles for their fleets, control more than 4.6 million vehicles and manage assets in excess of \$92 billion. Collectively, these vehicles travel more than 84-billion miles each year. The proposed rules would have a material impact on the operations of NAFA members.

NAFA members provide the critical and essential services New Jersey's citizens rely on every single day. Their work ensures that fire, police, and ambulances are ready to respond, that children travel safely to and from school, that trash is collected, that utility repair crews are on the road when power goes out, that store shelves are stocked, and that the packages you are expecting arrive at your door. NAFA is also supported by more than 1,000 associate members who represent companies that support fleet managers in their profession including vehicle manufacturers, leasing companies, aftermarket equipment suppliers, telematics firms, service providers, and many others.

NAFA members in New Jersey manage public fleets operating across the state including the New Jersey Department of Transportation, the Port Authority of New York & New Jersey, the New Jersey State Police, the New Jersey Public Works Department, and several private fleets including Securitas, Verizon, Bausch & Lomb, Bayer, and Agfa.

NAFA supports the vision of a transition to near-zero and zero emission vehicles (ZEVs). We believe that this transition will be most successful if the implementing regulations take a full and accurate account of the critical factors facing such a transition.

We also believe that any proposed rulemakings around electrification must thoroughly assess the cost, operational suitability, and availability of electric vehicles (EVs). In addition, such rules must consider proven technology that is both comparable in range and duty cycle, as well as job performance before mandating either their manufacture or adoption.

Unfortunately, regulations are incapable of mandating technological innovation and improvement by manufacturers. This effectually compromises the ability of fleet managers to deploy a mix of vehicles designed to deliver required or adequate services to their respective communities. Some of these complexities are illustrated in the following examples.

Commercial Unavailability of Light-Duty ZEVs

Electric light duty vehicle availability has dramatically decreased in the last several years due to COVID and manufacturing-related supply chain disruptions, and more recently by the UAW strikes. These disruptions have put many fleets behind in their ability to replace aging vehicles with ZEVs. For many of these vehicles, the manufacturing backlog is not anticipated to improve for at least a year if not more.

Partly because of the microchip shortage, and partly due to slower than anticipated advancements in technology, many of the cost-effective light-duty ZEVs that were expected to be available by now are still many years from production. Examples of these include specialty police vehicles, affordable compact AWD sedans, small AWD passenger and cargo vans, and pickup trucks. Vehicles in these categories make up a significant part of many fleets.

Commercial Unavailability of Medium- and Heavy-Duty ZEVs

One of the most significant obstacles to transitioning a fleet is the lack of availability of suitable medium- and heavy-duty ZEVs. For example, manufacturers have failed to produce an electric chassis for Class 7 and 8 (GVWRs over 26,001 and 33,001 lbs.) vocational applications. Vocational applications include large dump trucks, cement trucks, tow trucks, hook lift trucks, catch basin cleaner trucks, and fluid tankers, etc. Another example of the unavailability of vehicles required by electric utility fleets are Class 7-8 tandem axle trucks with electric power take-off for a large aerial unit capable of pulling a trailer. The only Class 8 application that manufacturers are focusing on at the moment is on-highway freight applications. This leaves public fleets, construction contractors, utilities, and others behind and forces them to comply by modifying vehicles and equipment not intended for their work.

Even though manufacturers are beginning to build an electric medium- or heavy-duty chassis, there are concerns that the resulting vehicles that are or will be available will fall significantly short of meeting many operational and emergency use requirements of fleets in several important ways:

Cost

ZEV cost is also a significant issue for fleets, particularly public. Medium- and heavy-duty ZEVs can cost 40 to 100 percent more than a comparable diesel engine model. An over-the-road all electric Class 8 truck will cost nearly a million dollars. New diesel-powered trucks can be purchased for half that price.

Range and Capacity

Many NAFA member fleets are conducting trials related to the viability of EVs which are highlighting vehicle range and capacity challenges. For example, in a weeklong trial of an electric refuse truck in ideal weather conditions it was noted that the vehicle's range only allowed it to complete 60 percent of a standard route. This truck also had a smaller payload requiring more frequent dumps, compounding the range limitation. Using this scenario, a public fleet would need to purchase nearly twice as many refuse vehicles to complete its daily refuse collection requirement. Research into other equipment vehicles such as street sweepers and dump trucks show similar results.

Battery electric Class 8 trucks also cannot haul the same amount of goods in an on-highway application as their internal combustion engine (ICE) counterparts. The average GVWR for a battery powered tractor is 80,000 pounds. A diesel equivalent can achieve up to 105,500 pounds GVWR. Use of a battery powered tractor results in diminished production as more trips and/or trucks or tractors are then needed to do the same amount of work as compared to the ICE counterpart. Battery electric Class 8 trucks cannot travel as long or as far as their diesel engine equivalents and require extensive charging downtimes that translate into fewer potential trips. A significant investment in more high-powered electric charging stations is then needed to provide equivalent utility.

Battery Degradation

A further concern is battery degradation over time. With current technology, both light- and heavy-duty vehicle manufacturers expect battery capacity to incrementally diminish over time. Some heavy-duty chassis manufacturers are only warranting batteries to not fall below 80

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percent capacity within two years of purchase. Not only are these batteries very expensive to replace, but a battery electric vehicle that meets the minimum range requirement when new may fall below operational minimums early in its lifecycle making the unit unusable for its intended task. In addition, cold weather operation may reduce battery efficiency by as much as 40 percent creating a situation where a vehicle is only usable for part of the year.

Specialty Configurations

Much of any municipal fleet is made up of specialty equipment like hydro excavators, asphalt patchers, pavers, grinders, road graders, dozers, generators, welders, snowplows, compressors, etc. Depending on the circumstances, this equipment can routinely be expected to operate up to 24 hours per day during snow removal events or emergency situations and may be required to park at job sites where charging is not available. These are among the most energy intensive units in a city fleet but are unlikely to have viable ZEV replacements any time in the near future.

We have provided these perspectives on fleet vehicle needs and some of the realities of the current state of ZEV technology and commercial availability to inform the Department's consideration of the appropriate pace of implementation of the Advanced Clean Cars II Program. Further, we encourage the Department to ensure that the rules have adequate flexibility to ensure that fleets will continue to have access to the vehicles they need to perform the myriad of public and private sector services that New Jersey citizens rely upon.

Thank you for providing NAFA with the opportunity to comment on the proposed rulemaking. We hope our examples and illustrations will prove helpful as you craft effective and feasible regulations to navigate this transition to a zero emissions future. We look forward to any opportunity to meet with the Department to discuss our perspective in greater detail.

Sincerely,

A handwritten signature in black ink that reads "Bill Schankel". The signature is fluid and cursive, with "Bill" on the top line and "Schankel" on the bottom line.

Bill Schankel, CAE CEO
NAFA Fleet Management Association