



Joani Woelfel
President & CEO
2020 Research Park Dr., Suite 160
Davis, CA 95618
P: 530.564.7125 | 800.576.8850



Representing agricultural, industrial, material handling, hardware, lumber, outdoor power and rental equipment dealers in Arizona, California, Colorado, Hawaii, Nevada, Utah and Wyoming

May 10, 2021

Assembly Member Lorena Gonzalez
Chair, Committee on Appropriations
California State Assembly, District 80

Assembly Member Frank Bigelow
Vice-Chair, Committee on Appropriations
California State Assembly, District 5

Submitted Via Electronic Registration

RE: AB 1346 – OPPOSE

Dear Chair Gonzalez and Vice Chair Bigelow,

Far West Equipment Dealers Association (FWEDA) represents agricultural, industrial, material handling, hardware, lumber, outdoor power and rental equipment dealers across seven Western States including California where our office is located in Davis. More than 100 California dealership locations comprise businesses whose contributions provide thousands of quality jobs and enhance a healthy economy.

Our dealers employ highly skilled and qualified technicians and invest many years in training and developing their skillset to keep pace with the growing demands of the modern equipment industry, which includes clean technology to improve air quality. In addition to ensuring the safety and integrity of the machinery our dealers sell and service, this specialized workforce improves the economic circumstances for individuals and their families, and significantly improves the well-being of our communities.

On behalf of California dealers, we respectfully oppose AB 1346, which requires new sales of small off-road engines (SORE) to be “zero-emission” by 2024 or whenever the California Air Resources Board (CARB) determines feasible, whichever is later. This proposal imposes costly and burdensome compliance and reporting requirements for businesses at a time when many are trying to recover from the restrictions and required expenditures incurred because of COVID-19.

FWEDA supports efforts to improve air quality and the health and well-being of our citizens and has worked tirelessly across our territory to defeat “right-to-repair” legislation that seeks unrestricted access to software in machinery that would override emissions and safety controls. Despite this grave threat to air quality, many advocates for “right-to-repair” legislation support “environmental justice” initiatives led by CARB. Together with federal policy under the new administration, [this bill endeavors to cripple businesses under the weight of unfunded mandates.](#)

AB 1346 is unnecessary as CARB is already considering a SORE regulation. On March 24, 2021, CARB staff announced an updated proposed SORE rule that would set SORE product exhaust and evaporative emission limits to ZERO starting with Model Year (MY) 2024 products.

Not only is AB 1346 duplicative of a current CARB proposed regulation, the costs and impacts associated with this bill and the regulation are far greater than businesses can handle:

- The upfront cost of zero-emissions outdoor power equipment can be several times that of the gas-powered counterparts, often with less power and more frequent battery changes/recharges needed than fuel refills. Commercial-grade “zero-emission equipment” (ZEE) in most cases are more than double the upfront cost of comparable gas-powered equipment. Commercial-grade handheld products have similar cost concerns. A ZEE blower can be comparable in price to gas-powered units but adding in the cost of batteries and chargers needed for a full day’s work, the upfront cost of a ZEE blower could easily exceed \$1,000. Considering the cost of gas compared to electricity, even for those who can afford the initial investment upcharge, these costs are currently not recoverable over the life of most commercial grade equipment. Gas blowers can run 10 hours on 1.5 gallons of gas vs. 35 minutes on a battery. This means businesses must deploy more units and charging capacity to meet the same level of productivity.
- Similarly, businesses that use SORE also use other commercial equipment and vehicles regulated by CARB’s onerous mandates (LSI, fleets, etc.) with estimated upfront costs for other equipment, batteries and charging infrastructure exceeding the purchase and operating costs to replace gas-powered equipment within its limited life cycle. Additionally, charging infrastructure is largely substandard. Example: A major grocery chain uses a forklift for loading and offloading groceries/inventory. Most locations don’t have the 480 input voltage at their retail stores required in California to charge electric forklifts. PG&E quoted one location \$26K to upgrade to a 480 transformer to run service 26 feet onto the property. Many agricultural processing facilities are 40 or more years old and require substantial upgrades to sustain ZEE charging infrastructure.
- How will the state’s policy address SORE dealer inventory over the next three years as it attempts to eliminate gas-powered equipment during the transition? What does a dealer with inventory of thousands of pieces of equipment and parts do if they can’t sell all of it by 2024? Businesses must also incur the expense of replacing gas-powered fleet vehicles with ZEVs on a similar timeline, and meeting Net-Zero commercial building standards by 2030. What provisions has the state made to add thousands of pieces of gas-powered equipment to the waste stream?
- Currently, there is no comprehensive strategy to add SORE, large off-road equipment, personal combustion-engine vehicles and gas-powered fleets to California’s power grid in the next 2-3 years as CARB and this bill endeavor to do. Given the findings of California power outages last year (<http://www.caiso.com/Documents/Final-Root-Cause-Analysis-Mid-August-2020-Extreme-Heat-Wave.pdf>) acknowledging the lack and absence of power generation, infrastructure and storage to sustain what is already in use, it’s inconceivable 1) to add millions more units to the power grid, and

2) to have no formal plan to do it. The report illustrates the push for all electric is infeasible without sufficient energy resources into the grids that will sustain any meaningful support of the expected demand. And while CARB and the state may argue there will be incentives like the FARMER program, [funding for these incentives is chronically uncertain due to politics](#).

- CARB's SORE plan and AB 1346 do not provide for emergency gas-powered generators in the event of a power outage/failure. Battery-powered charger users in remote areas rely on gas-powered generators to survive. During the April 28 Committee on Natural Resources hearing, ASM. Jim Wood acknowledged his constituents comprise timber harvesting businesses where extending electricity into forests for chainsaws that must be recharged is unavailable or users don't meet qualifications for rebates. [Committee Chair Luz Rivas acknowledged the bill would negatively affect her constituents yet supported it anyway](#). This bill fails to address any meaningful business concerns.
- FWEDA concurs with OPEI: "The equipment industry agrees it is not too late to develop a data-supported and reasonable regulatory reduction strategy to achieve California's model year 2031 SORE State Implementation Plan (SIP) goals without banning SORE. This process starts with agreement on a representative SORE sector emissions model which serves as the basis for modeling reasonable, data-driven, technologically feasible and cost-effective strategies that achieve the SIP SORE goals. Despite significant industry-led outreach, CARB's final SORE2020 model largely ignores industry concerns and as a result fails to reasonably represent SORE sector emissions. Until these issues are addressed, AB-1346 and CARB's potential rules will continue to be arbitrary, and a violation of the federal Clean Air Act which California relies on to adopt unique emissions regulations."

This and similar bills misrepresent the cost/benefit reward: [No equipment or vehicle is "zero-emissions"](#) as life cycle costs produce emissions throughout manufacturing, transport, marketing and sales to end users illustrate. Advancing this narrative is misleading.

The equipment industry has led reduced and zero-emissions adoption by example, with large-scale development and adoption of reduced and zero-emissions equipment, when and where feasible. FWEDA members worked in good faith with CARB toward its 2003 initiatives to accomplish stated goals to reduce emissions and now the state is moving the goalposts. There is no one-size-fits-all ZEE approach. Additional development is needed for "ZEE" to satisfy the cost, run-time and performance of many professional users.

We request the Legislature and CARB engage industry to develop an emissions reduction strategy that allows the continued sales of SORE equipment in California until manufacturing, performance, economic and recycling challenges of lower-emission alternatives are resolved.

For these reasons, we respectfully oppose AB 1346.

Sincerely,

A handwritten signature in black ink, appearing to read "Jani Wolf". The signature is fluid and cursive, with a large initial 'J' and 'W'.

President & CEO
Far West Equipment Dealers Association