

Governor Newsom's Air Board Adopts Forklift Regulation

Will Cost Local Communities, Small Businesses, Nonprofits, and Government Agencies Up To \$27 Billion

SACRAMENTO, CALIFORNIA, USA, June 27, 2024 /EINPresswire.com/ -- Today, Governor Gavin Newsom's California Air Resources Board (CARB) decided to adopt a costly, infeasible, and flawed regulation that would eliminate



internal combustion (ICE) forklifts across California by 2043, costing California forklift owners and operators up to \$27 billion.

The Western Propane Gas Association (WPGA) has been working with stakeholders to constructively develop alternative pathways to compliance and engage CARB in a narrative around their unsound approach to the regulation. However, CARB dismissed modifications proposed by WPGA and others over the course of years. Instead, they moved forward without thoughtful consideration or a proper accounting for the impacts and unintended consequences that will now have a rippling economic effect across California and ultimately the nation.

"CARB's decision today to adopt this damaging regulation will lead to lost jobs, economic competitiveness, and still not achieve the goals that they expect," said Colin Sueyres, President & CEO of the Western Propane Gas Association. "The negative impacts will be widespread, including massive hits to affordable housing, critical infrastructure, and agriculture, amongst other industries. CARB along with the Newsom Administration should've been more willing to consider the ramifications. Organized labor, agriculture, small businesses, and community stakeholders have raised hundreds of concerns over the years on this rule that has gone unheeded. Instead, they have rejected any effort to achieve their very goals sooner through collaboration with those being regulated."

In addition to several attempts at a productive dialogue with CARB staff and board members, earlier this year, WPGA released an <u>economic impact report</u> detailing the costs and implications of the proposed regulation, which was shared with CARB, policymakers, and the Newsom Administration. WPGA also offered a cheaper, more feasible, and more effective way to meet the state's air quality goals through an equitable <u>alternative pathway to compliance</u>, that would've ensured the state is meeting its greenhouse gas reduction goals while at the same time ensuring that the goods movement sector in critical industries such as food bank distribution is protected

from untenable costs.

Additionally, WPGA also <u>shared a package</u> with CARB that included thousands of signatures from across the state of individuals who shared their concerns on cost and infeasibility.

Concerns that have been raised continuously with CARB's zero-emission forklift rule include:

□ Infrastructure does not currently exist and will be costly

□ Charging stations costs will exceed \$6.3 billion to implement.

Costs do not factor in the cost of building power supply upgrades, or infrastructure upgrades for the generation, transmission and delivery of electricity.

□ Replacement technology is cost prohibitive

□ In total, \$10 billion will be spent on ICE forklift replacements.

 Duplicative fleets or significant downtime in operations will be needed as battery electric forklifts require time to charge and cool and cannot run for 24-hour business operations like ICE forklifts.

Battery replacement costs and maintenance costs amount to over \$2.8 billion between 2026 and 2038.

CARB'S analysis is flawed and inaccurate

□ CARB vastly underestimated the number of forklifts that will be impacted by the rule. CARB estimates 95,000 forklifts will be affected when in reality 220,000 (more than half of all forklifts in California) will be impacted.

□ The proposed rule does not meet one of CARB's primary objectives

The proposed rule does not establish a fair and level playing field among fleet operators, forklift manufacturers, forklift dealers, and forklift rental agencies, which is one of CARB's stated objectives.

Visit westernpga.org/forklift to read the economic impact report and the alternative pathway to compliance.

About WPGA

WPGA is the trade and membership service organization that represents propane industry throughout California. Founded in 1949, the association represents the single largest market for propane consumption in the country and upholds its core principles of education and safety. The association's primary purpose is to maintain high standards of practice within the industry and, in so doing, protect the consumers and communities its members serve.

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