



# CalNGV News

The newsletter of the California Natural Gas Vehicle Coalition

## News Briefs

### Altech-Eco Gets EPA Approval for CNG Ford Focus

Altech-Eco Corp. has obtained a Certificate of Conformity from the EPA for its dedicated CNG and bifuel (CNG-gasoline) conversion systems for the 2010 Ford Focus. The dedicated CNG system provides fuel storage capacity of 8.6 gge with a driving range of 230–330 miles. The company, based in Asheville, S.C., also offers dedicated and bifuel conversion systems for the 2009 and 2008 models. Go to the [Altech-Eco website](#) for details.

### NaturalDrive Gets EPA OK for CNG Retrofits of GM Trucks

NaturalDrive Partners has received 2010 EPA emissions certification for its dedicated CNG retrofit of General Motors' 6.0 liter trucks. The covered models include the C25, K25, and K35 Silverado and Sierra vehicles in two- and four-wheel drive. The retrofitted vehicles deliver 41 percent lower NO<sub>x</sub> and 22 percent lower CO<sub>2</sub> emissions than their gasoline counterparts. For more information see the [NaturalDrive website](#).

**Suit Aims to Kill LCFS** Petroleum and trucking industry groups filed a suit Feb. 2 in U.S. District Court in Fresno aimed at killing California's Low Carbon Fuel Standard (LCFS). The suit follows a similar one filed in December by ethanol trade groups ([CalNGV News, 1.11.10](#)).

The latest suit also argues that the LCFS violates the supremacy and commerce clauses of the U.S. Constitution, claiming that it regulates interstate and foreign commerce, imposes excessive burdens on interstate commerce, and

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**Toll Hits ILEV AFVs to pay \$2.50 on Bay Area bridges**  
**New NO<sub>2</sub> Standard** EPA sets national one-hour limit

## Plan Offers New Funding for NGVs

### 2010–11 AB 118 Investment Plan allots \$24 million for NGV-related projects in coming year

The CEC's draft 2010–11 Investment Plan for the AB 118 Alternative and Renewable Fuel and Vehicle Technology Program, released Jan. 27, allots \$24 million of the \$100 million available to NGV-related projects—about the same proportion as the initial plan.

The proposed plan, covering July 1, 2010 to June 30, 2011, provides \$12 million for medium- and heavy-duty NGVs, \$2 million to upgrade natural gas fueling stations, and \$10 million for new construction or expansion of biomethane facilities and biomethane quality testing.

One thing missing: light-duty vehicles. In comments filed in September, the Coalition requested incentive

funding for light-duty upfits as well as OEM vehicles. The draft plan recognizes the potential to expand markets for light-duty NGVs, citing new federal grants and loans to NGV manufacturers beginning in 2010 that will increase model choices in the 2011–2013 timeframe. But CEC staff do not recommend purchase incentives for light-duty NGVs until these new models hit the market. Consequently, the plan provides no funding for light-duty NGVs.

"We're pleased to see that natural gas continues to get an appropriate share of AB 118 funding, and we're encouraged by the CEC's continued focus on biomethane production and quality testing, which could help get landfill biomethane into natural gas pipelines," says Coalition Executive Director Pete Price. "We are disappointed, though, that there is no funding for light-duty NGVs and upfits. I'll be exploring the thinking on this as a member of the Advisory Committee."

The first meeting of the 2010–2011 Advisory Committee for the Alternative and Renewable Fuel and Vehicle Technology Program is slated for Feb. 11.

**Funding Remains from 2009–10 Plan** The draft 2010–11 plan also clarifies the status of the previous plan, which provided \$176 million over 18 months (ending this June). The CEC decided to devote the first round of funding to matching grants for projects that received federal American Recovery and Reinvestment Act (ARRA) grants. Ultimately, very few projects received

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ARRA grants, and the CEC ended up committing only a minor portion of AB 118 money to ARRA-funded projects. Although dozens of qualified natural gas projects in California applied for ARRA funding, only three received it because the Department of Energy allocated funds proportionally nationwide.

According to the new draft plan, the CEC will now release a series of focused solicitations for about \$113 million to be awarded through June. Categories in which NGV-related projects are eligible include infrastructure expansion, construction of biomethane production facilities, and demonstrations of advanced medium- and heavy-duty alternative fuel trucks. The absence of light-duty NGV incentives from the funding categories suggests that the CEC does not intend to carry out its initial plan to allocate \$2 million for this purpose.

Get the plan at [www.energy.ca.gov/2009-ALT-1/documents/index.html](http://www.energy.ca.gov/2009-ALT-1/documents/index.html). ▶

## Bay Area Approves Tolls for ILEVs

The Bay Area Toll Authority (BATA) and Metropolitan Transportation Commission (MTC) approved a package of bridge toll hikes Jan. 27 that includes a \$2.50 toll during commute hours for NGVs and other inherently low-emission vehicles (ILEVs).

Currently, carpools and ILEVs pass free during commute hours and pay a \$4 toll otherwise; conventional vehicles and hybrids pay \$4 at all times. Under the new rate schedule, conventional vehicles will pay \$6 during commute hours, and carpools, ILEVs, and hybrids will pay \$2.50. All vehicles will pay \$5 on weekends and \$4 during weekday noncommute hours. The new rates take effect July 1.

The Coalition and other AFV advocates made a concerted effort to get BATA to reconsider the ILEV toll. The Coalition sent BATA a letter asking it to delete the toll or at least delay adoption to fully consider its effects. The letter argues that the ILEV toll undermines state policies designed to reduce oil dependence, cut greenhouse gas emissions, and support clean transportation technologies; ignores current legislative work on HOV lane policy; did not receive adequate public review (it was never mentioned in public presentations on the package); and will produce minimal revenue but have a significant negative effect.

“We are not aware of any analysis by BATA of the increased revenues expected by imposing a new \$2.50 toll on natural gas vehicles, but we expect it will be extremely small,” the letter says. “But the negative impact will be outsized: tangible financial and time-saving incentives like free passage on toll roads and access to HOV lanes have been shown to play a major role in a consumer’s decision to buy an alternative fuel vehicle.”

Assemblymember Ted Lieu and Sen. Leland Yee (both of whom have HOV lane access bills pending in the Legislature) also sent letters, as did CALSTART, Clean Energy, BAF Technologies, and Yellow Cab. The Coalition, Clean Energy, and CALSTART testified as well.

But BATA had already knocked down objections to higher tolls from many other quarters and appeared set on passing the full package. The agency expects the increases to raise about \$160 million a year to fund seismic strengthening of the Antioch and Dumbarton bridges and compensate for a decline in toll revenue due to reduced bridge traffic.

Coalition Executive Director Pete Price notes that hybrid vehicles will get a \$1.50 *reduction* in their toll during commute hours. “If MTC retained the existing full toll on hybrids and left NGVs with free passage, the bridges would generate even more toll revenue because there are so many more hybrids on the road,” he says. “This also goes in the opposite direction from pending state legislation, which will eliminate HOV lane access for current-generation hybrids.”

In a staff summary of the proposal before testimony started, the presenter did note that issues about the impact of the ILEV toll had been raised since the last public meeting, and he said he thought the MTC should consider them.

“It was vague but at least it acknowledged our main issue,” says Price. “We plan to follow up with MTC, especially on recalibrating both hybrid and NGV tolls for greater revenue.” ▶

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conflicts with the federal Renewable Fuels Standard and Energy Policy Act of 2005.

CARB Chair Mary Nichols issued a statement calling the suit “shameful” and saying that “producing alternative fuels under this standard can save consumers as much as \$11 billion over the next decade ... in California alone. Instead of fighting us in court, they should be working with us to provide consumers in California and the rest of the nation with the next generation of cleaner fuels.”

### EPA Sets New NO2 Standard

The EPA has set a new national air quality standard for nitrogen dioxide (NO2). The one-hour standard of 100 parts per billion (ppb) is the first to address peak short-term exposures, which primarily occur near major roads. It will protect millions of Americans, the EPA says. Short-term exposure to NO2 has been linked to impaired lung function and increased respiratory infections, especially in people with asthma.

In conjunction with the new standard, the EPA is establishing new monitoring requirements in urban areas to measure NO2 levels around major roads and across the community. Monitors must be located near roadways in cities with at least 500,000 residents. Larger cities and areas with major roadways will have additional monitors. Communitywide monitoring will continue in cities with at least 1 million residents.

The annual average NO2 standard remains 53 ppb.

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