



CalNGV News

The newsletter of the California Natural Gas Vehicle Coalition

News Briefs

CARB Proposes Prop. 1B Updates CARB has released a [draft concept paper](#) on updates to Prop. 1B funding guidelines that includes a proposal to exclude greenhouse gas co-funding by other state sources from the cost-effectiveness calculation, which is based on reductions of toxic and criteria pollutants per state dollar invested.

“The [AB] 118 Alternative and Renewable Fuel and Vehicle Technology Program ... is a potential source of State greenhouse gas funding that could be more readily combined with Prop. 1B monies for projects involving conversion to alternative fuel or hybrid technologies,” the paper says. “This concept would maintain the Program priority on reducing localized health risk and regional air pollution, while removing a barrier that makes projects using greenhouse gas co-funding from other State sources less competitive.”

The Coalition strongly supports the change, and plans to file comments on this and other proposals relevant to NGVs.

NGV Fleet Summit Provides Practical Advice Fleet managers looking for ways to implement NGV projects will find inspiration and practical advice at the National NGV Fleet Summit, to be held March 24 in Louisville, Kentucky, the day before the Mid-America Trucking Show opens.

The daylong event, which is free for fleets, will feature sessions by representatives from fleets such as UPS and Waste Management talking about the pros and cons of

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Dual-Fuel Engine Navistar inks deal with Clean Air Power
CNG Taxi Ford announces taxi van with upfit options

CEC Details Status of AB 118 Funds

First 2010–2011 Advisory Committee meeting focuses on distributions from the initial pot of \$176 million

The first meeting of the 2010–2011 Advisory Committee for the Alternative and Renewable Fuel and Vehicle Technology Program focused largely on clarifying how—and how much—AB 118 money has been spent so far, and how the rest of the initial \$176 million pot will be spent.

California Energy Commission staff spent the first half of the daylong Feb. 11 session recapping AB 118 requirements and the initial 18-month plan. Staff described what happened with federal American Recovery and Reinvestment Act (ARRA) matching grants (see *CalNGV News*, 2.8.10), outlined the new investment plan, and answered a slew of questions about awards to

date and how they stacked up against the plan. Here’s a rundown of how natural gas projects are faring:

Medium- and heavy-duty vehicles Half the \$23 million allotted to medium- and heavy-duty NGV purchase incentives in the initial plan is committed to ARRA-funded projects, which are expected to put 442 new LNG trucks into service; the other half was shifted to biomethane production projects. Demonstrations of advanced medium- and heavy-duty trucks could still be funded under the initial plan through an upcoming solicitation. The proposed 2010–2011 plan allots \$12 million for medium- and heavy-duty NGVs.

Fueling infrastructure The CEC has awarded \$2.4 million to two ARRA-funded LNG station projects, leaving another \$5.6 million to be spent on natural gas infrastructure under the initial plan. The proposed 2010–2011 plan allots another \$2 million to upgrade NGV fueling stations.

Biomethane The CEC has allocated \$21.5 million for biomethane production plants under the initial plan (\$10 million originally, plus the additional \$11.5 million that was moved from the medium- and heavy-duty vehicle category). ARRA funds were not available for biomethane production, so none of the AB 118 budget for biomethane was used in the first round of awards, but the CEC issued a solicitation for projects up to the full amount in November. That

The Coalition welcomes the boost in initial funding for biomethane, but seeks more for vehicles.

solicitation closed last month and awards have not yet been announced; the CEC may opt to release further solicitations if money remains. The 2010–2011 plan adds another \$10 million for construction or expansion of biomethane facilities and quality testing.

Light-duty vehicles The initial plan provided \$2 million to cover the differential cost of light-duty NGVs for public fleets that can't receive federal tax credits, but the CEC has opted not to distribute it. The proposed 2010–2011 plan does not allot any money for light-duty NGVs, citing an influx of federal loans and grants that the CEC hopes will result in new models available in the 2011–2013 time frame.

The CEC plans to release focused solicitations for about \$113 million to be awarded through this June, but it has until June 30, 2011, to commit all the initial funding. The commission also has increased total funding for 2010–2011 by \$8 million, to \$108 million. It proposes allocating an additional \$4 million to advanced medium- and heavy-duty on-road demonstration vehicles, an additional \$1 million to light- and medium-duty propane vehicles, and \$3 million to a new funding category for innovative technologies and advanced fuels.

Committee members voice concerns In the afternoon, each committee member had five minutes to comment. Coalition Executive Director Pete Price squeezed in several points:

Medium- and heavy-duty funding The Coalition welcomes the boost in initial funding for biomethane, but is disappointed that it was accomplished by reducing funding for medium- and heavy-duty vehicles.

"There is so much more demand than there is funding for vehicles," Price says. "Everyone knew from the beginning that Prop. 1B funding wasn't going to be enough to meet the ports' needs. We're going to request a restoration of some funding to medium- and heavy-duty vehicles."

Infrastructure The Coalition agrees with the focus on upgrading fueling stations so that the state doesn't lose existing infrastructure.

Light-duty funding Regarding light-duty vehicles, the Coalition understands the CEC's perspective, but Price noted that OEMs are showing increasing interest in natural gas, citing GM's recent commitment to a natural gas Silverado. Price also thinks the staff should consider the products available through larger upfitters, not just OEM products, when determining the value of incentives.

"BAF now has a Ford warranty for their upfits, and that should catch the commission's attention," Price says. "There's an argument to be made for light-duty incentives."

GHG projections The projected greenhouse gas reductions from each fuel or technology, listed in an appendix to the investment plan, are based on a study done for the 2007 AB 1007 alternative fuels plan and need to be updated.

For example, projections for natural gas assume a 100 percent fossil-fuel supply, but the emerging supply of biomethane means that a potentially significant portion of the natural gas supply will be renewable and ultralow-carbon. Meanwhile, a recent U.C. Davis study found that the Low Carbon Fuel Standard underestimates the carbon intensity of plug-in hybrids by about 60 percent, because in the near and medium term the marginal electricity demand from these vehicles will be met by generation from older, less efficient power plants.

LNG carbon intensity The carbon intensity listed for LNG is the highest of five LNG pathways CARB analyzed—and the least likely to be used in California. The Coalition believes the CEC should cite the carbon intensity for the most likely path, North American pipeline natural gas liquefied in California, which has the lowest carbon intensity.

The next committee meeting will be scheduled for late March or early April. ▀

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natural gas, grants and incentives used, and other key issues. Energy suppliers and equipment providers will discuss supply, infrastructure, and technologies for heavy-duty applications; OEMs will provide product updates; and vehicles will be on display. T. Boone Pickens will be the keynote luncheon speaker.

For details on the event, organized by Gladstein, Neandross & Associates, go to www.ngvsummit.com.

Navistar to Develop Dual-Fuel HD Engine

Navistar has signed a concept development agreement with Clean Air Power to develop a dual-fuel system for Navistar's MaxxForce 13 big-bore engine. The diesel-natural gas engine, targeted for regional hauling applications, will be compliant with the EPA's 2010 heavy-duty emissions standard.

"The volatility of global diesel fuel prices and the significant natural gas reserves available in the United States make natural gas an attractive option for customers focused on managing their fuel costs," said Jack Allen, president of Navistar's North American Truck Group.

Ford Announces Natural Gas Taxi

Ford is introducing a natural gas-powered version of Transit Connect, its European-style delivery van, aimed at taxi fleets. Called the Transit Connect Taxi, the vehicle won't ship with a natural gas system; rather, Ford is providing upfit packages that allow the engine to use CNG or LPG. The packages will have to be installed by third parties. The vehicle will be available in the 2011 model year.

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