



CaINGV News

The newsletter of the California Natural Gas Vehicle Coalition

Policy File

The Coalition will track the following bills and others related to alternative fuels and vehicles throughout the legislative session. Check this space in every issue for updates.

AB 744 | Torrico

In brief: Authorizes the Bay Area Toll Authority to develop a high-occupancy toll (HOT) lane network within the Metropolitan Transportation Commission's nine-county jurisdiction.

Details: The Legislature is considering whether vehicles with access to HOV lanes, such as NGVs, should be allowed to travel free in HOT lanes.

Status: In Senate Appropriations Committee.

AB 1672 | Jeffries

In brief: Requires the 11 members of the California Air Resources Board to be elected from 11 districts of roughly equal population, beginning in 2012.

Status: Referred to Assembly Natural Resources Committee.

AB 2513 | Adams

In brief: Spot bill related to CARB.

Details: AB 2513 is one of several spot bills that are expected to be amended to reform or restrict CARB's regulatory authority.

Status: Awaits committee referral.

SB 927 | Huff

In brief: Spot bill on HOV lanes.

Details: The Legislature is considering two bills, AB 1500 (Lieu) and SB 535 (Yee) that would extend HOV lane access for NGVs. AB 1500 is sponsored by the Coalition.

Status: Awaits committee referral.

SB 960 | Author: Dutton

In brief: Requires the Legislative

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Prop. 1B CARB considers changes to funding guidelines
News Briefs Study finds biogas cleaner than expected; air pollution costs millions; Clean Energy expands LNG network

Coalition Appoints New President

Former Coalition for Clean Air head takes lead with mission to make major push for NGVs

The California NGV Coalition board has hired Tim Carmichael, former executive director of the Coalition for Clean Air, to lead the CNGVC's efforts to promote NGVs as an important tool for reaching the state's clean air, oil independence, and greenhouse gas reduction goals.

Board chairman Mitchell Pratt says rising awareness of the country's vast natural gas supply and the growth of NGVs globally to over 10 million vehicles on the road make this the ideal time for a major push to expand NGV use in California—and the Coalition needs a full-time leader to make that happen. Carmichael

started as president March 1; he took over for longtime Coalition legislative consultant Pete Price, who had been serving as interim executive director.

"We are at a historic point in the development of the U.S. NGV marketplace," says Pratt, senior vice president of engineering, operations, and public affairs at Clean Energy. "Natural gas vehicles and the growth of the industry provide a clear opportunity to stimulate the economy by creating new jobs, deliver environmental benefits, and help break our oil addiction.

"Tim Carmichael has long promoted the benefits of NGVs, and his experience working with legislators and regulators, as well as having worked with the environmental community for more than 15 years, positions him to be very effective as a strong advocate for implementing natural gas vehicles."

Changing transportation system is key issue Carmichael sees tremendous potential for natural gas as a transportation fuel—both in its own right and as a leader in developing a robust alternative fuels marketplace—and is excited about the growing interest in biomethane.

"I'm an environmentalist to my core, and I believe that changing our transportation system and the fuels we use is one of the key issues for the future of our society," says Carmichael. "This is a great opportunity to continue working toward that change with a focus on the for-profit sector. I think the CNGVC's efforts to promote the development, sale, and use of a cleaner alternative fuel are a really important part of the solution to our environmental and energy security challenges."

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'We are at a historic point in the development of the U.S. NGV marketplace.'

Energy independence is a compelling goal as well, he says. “It bothers me as much as any other American how much money we spend to bring oil in from other parts of the world—it seems like a waste on many levels.”

In addition to advancing key public policies, Carmichael will work to expand Coalition membership. “I think there’s significant potential to grow, given the increasing number of companies working in this sector,” he says.

He’ll be building on a strong foundation. “Our successes here in California have served, and will continue to serve, as the road map for the federal government, other states, and many cities across the country,” Pratt says. “Over the last couple of years we have had critical support from our friend and advocate, Pete Price. He’s been vital in helping to guide the organization and achieve important milestones. We look forward to pursuing opportunities to continue to work with him as we go forward.” ▶

CARB Considers Prop. 1B Changes

The California Air Resources Board will consider proposed changes to the Prop. 1B-funded Goods Movement Emission Reduction Program (GMERP) at its March 25–26 hearing. CARB will also consider changes to the Carl Moyer Program and Lower-Emission School Bus Program guidelines.

The key change for the NGV industry is a proposal to exclude greenhouse gas (GHG) reduction co-funding by other state sources from the cost-effectiveness calculation for GMERP, which is based on reductions of toxic and criteria pollutants per state dollar invested. (See *CalNGV News*, 2.22.10.)

CARB staffers—like alternative fuels advocates—argue that counting funds designed to reduce GHG emissions in the cost-effectiveness calculation for projects focused on reducing NOx and PM emissions unfairly penalizes projects that would do both: the cost of the GHG reductions gets folded into the cost of criteria pollutant emissions, but the formula gives no credit for the GHG reductions, so these projects appear unduly expensive.

Last year’s AB 1527 would have excluded GHG reduction funds from the cost-effectiveness calculation for both GMERP and Moyer projects, but the governor vetoed the bill. CARB can amend GMERP funding guidelines on its own, but can amend only some aspects of the Moyer guidelines. Excluding GHG funding from Moyer cost-effectiveness guidelines will require a statutory change. Other proposed changes to GMERP include:

Project competition Allow all truck projects (retrofit, repower, replacement, and truck-stop electrification) to compete for funding instead of prioritizing retrofits. CARB says this approach may result in more replacements and fewer retrofits, meaning fewer truck owners would receive funding. After the cost-effectiveness provision, this is probably the most important proposal for Coalition members—more replacements means more opportunities for NGVs.

Funding levels Revise the payment schedule for upgrading emission reduction equipment on trucks. The proposed changes would increase incentives to replace old trucks or repower old engines to meet 2010 standards and to retrofit old truck engines to meet 2007 standards, and reduce incentives to replace old trucks with used trucks meeting 2007 standards.

For example, the proposal calls for maximum funding of \$60,000 (up from \$50,000) to replace a truck with a 2003 or older engine with a truck meeting 2010 emissions standards, \$40,000 (down from \$50,000) to replace a 2003 or older engine with a used truck meeting 2007 standards, \$30,000 (up from \$20,000) to repower 1994–2006 truck engines with 2010-compliant engines, and \$20,000 (new category) to retrofit ’94–’06 truck engines with PM filters and NOx retrofit devices to meet 2007 standards.

Eligibility Allow trucks that have a GMERP-funded PM filter and have been operating for at least two years to receive funding at a reduced level to replace the truck. Current guidelines prohibit a second application for the same truck; this would accommodate drayage truck upgrades that must meet 2014

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Analyst to analyze major regulations adopted by CARB to determine their costs and benefits and technological feasibility.

Status: Referred to the Senate Environmental Quality Committee.

SB 1033 | Author: Wright

In brief: If market-based compliance mechanisms (such as cap and trade) are adopted to implement AB 32, SB 1033 prohibits CARB from selling, trading, or distributing a GHG emission allowance to anyone not subject to the cap.

Details: The author is concerned about market manipulation and allowance banking by entities not regulated under AB 32, which could drive up the cost of allowances for regulated entities.

Status: Referred to Senate Environmental Quality Committee.

SB 1120 | Author: Dutton

In brief: Prohibits CARB from implementing a market-based compliance mechanism that includes caps on GHG emissions and trading among participants unless it is part of a legally enforceable regional or federal program.

Status: Referred to Senate Environmental Quality Committee.

SB 1198 | Author: Huff

In brief: Allows the California Energy Commission to implement a regulation only if the Legislature approves it by a majority vote of both houses. Also prohibits a regulation that is adopted but not implemented on or before Jan. 1, 2011, from being implemented until the state’s unemployment rate remains below 5.1% for three consecutive months.

Details: The prohibition on implementing regulations until the unemployment rate falls is similar to a prospective ballot initiative that would suspend AB 32 until the unemployment rate falls below 5.5% for three consecutive quarters.

Status: Awaits committee referral.

SB 1238 | R. Calderon

In brief: Requires CARB, when

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requirements. See pages 4–12 of the draft concept paper for a description of all proposed changes. ▶

news briefs

Researchers Say Biogas Is Cleaner Than Previously Thought Swedish biogas from refuse produces 95 percent less greenhouse gas (GHG) emissions than gasoline, according to a new study. Researchers from Lund University, on behalf of the Swedish Energy Agency, calculated emissions for the entire production chain at a biogas plant in Skane, Sweden, including direct and indirect emissions.

“We have included indirect factors that have not previously been taken into account ... for example, how the ground is affected when mineral fertilizer is replaced with bio-fertilizer,” said Lund doctoral student Mikael Lantz in the university’s announcement. “In addition, methane leaching from the plant is measured and not based on standard data that is often otherwise used in this kind of analysis.”

The researchers said simple production improvements could reduce GHG emissions to 120 percent below gasoline—better than climate neutral.

Mike Eaves, assistant vice president, technology advancement at Clean Energy, says the report shows how much can be achieved with incentives to improve production systems.

“The European technology appears to be very efficient in comparison with some of the domestic digesters,” he says. “The secret in driving the carbon numbers even lower is using renewable resources (power and thermal energy) to run the process. Obviously, they aren’t necessarily satisfied with just producing a renewable resource (biogas). They really are interested in developing a sustainable future—and they have much larger incentives to improve the system than we have here.”

Air Pollution Costs California Millions in Healthcare California’s air pollution is responsible for nearly \$200 million a year in hospital expenses, according to a new study by the nonprofit research institute Rand Corp.

The Impact of Air Quality on Hospital Spending looked at almost 30,000 emergency room visits and admissions at more than 400 hospitals from 2005 through 2007 for problems known to be related to air pollution. Those visits cost \$193 million—and Medicare and MediCal footed two-thirds of the bill.

“The people who espouse the idea that we should stop working on anything involving regulations of fuel because doing so would cost money should think about the cost of not doing anything,” said CARB Chair Mary Nichols in the *San Francisco Chronicle*’s March 2 article on the report. The report is available on the [Rand website](#).

Clean Energy Expands Southern California LNG Infrastructure Clean Energy plans to add eight LNG fueling stations to its Southern California network this year, with new or upgraded facilities in Los Angeles, Commerce, Industry, Fontana, Riverside, Tulare, Barstow, and Otay Mesa/San Diego.

“The development of the new station infrastructure is a direct response to the increased demand for natural gas fuel we have observed, as major trucking companies secure and deploy LNG-powered trucks at the Los Angeles and Long Beach ports and throughout the region,” said Andrew Littlefair, Clean Energy president and CEO, in announcing the expansion.

The company plans to connect this group of LNG fueling stations to Northern California, Arizona, Nevada, and Utah. Clean Energy currently operates two LNG fueling stations that serve the ports.

Baytech Receives 2010 Certifications for CNG Vans and Pickups Baytech Corp. has obtained 2010 EPA and CARB emissions certifications for its dedicated CNG-powered General Motors vans and pickups. The vehicles have full CARB OBD II approval. Models include the 2010 Chevy Express/GMC Savanna 2500 and 3500 vans, and 2010 Chevy Silverado/GMC Sierra 2500HD and 3500HD pickups, all with 6.0L engines.

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developing a plan to enforce diesel emission reduction regulations, to consult with affected businesses. Current law requires consultation with air pollution control districts and the public.

Status: Awaits committee referral.

SB 1245 | Simitian

In brief: Requires HOV and HOT lanes that allowed free passage for HOVs as of Jan. 1, 2010, to remain toll-free for HOVs after that date.

Details: The bill’s language is unclear on whether single-occupant vehicles that qualify for HOV lane access also retain free passage.

Status: Awaits committee referral.

SB 1263 | Author: Wyland

In brief: Makes the provisions of AB 32 and any regulation adopted pursuant to it inoperative.

Details: Similar legislation has already been voted down in the Assembly.

Status: Awaits committee referral.

SBX8 37 | Cedillo

In brief: Requires CARB to make Moyer grants without regard to cost-effectiveness criteria until Jan. 1, 2011. Also appropriates \$10 million from the Air Quality Improvement Fund to provide grants and zero-interest loans until Jan. 1, 2011, to owners of on-road heavy-duty diesel vehicles who must purchase equipment to comply with emission reduction rules.

Details: This is a special-session bill that would take effect 90 days after being signed into law.

Status: In Senate Transportation and Housing Committee.

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Contact the CNGVC at:

1029 K Street, Suite 24
Sacramento, CA 95814
phone: 916/448-1015
fax: 916/448-7176
e-mail: editor@cngvc.org