



Policy File

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The Coalition is tracking the following bills and others related to alternative fuels and vehicles throughout the legislative session.

AB 371 | Author: Butler

In brief: Requires the Department of General Services to ensure that all AFVs available for sale in California are listed on the Statewide Commodity Contracts list, and to develop infrastructure for state and local public fleets.

Details: Co-sponsored by the Coalition and CALSTART.

Status: Referred to Assembly Business, Professions, and Consumer Protection Committee.

AB 462 | Author: B. Lowenthal

In brief: Allows a portion of an existing motor vehicle fee to be used to replace natural gas tanks on aging school buses and to enhance deteriorating natural gas fueling dispensers at school district facilities.

Status: Passed Assembly Transportation Committee; on Assembly Floor.

AB 591 | Author: Wieckowski

In brief: Requires the Department of Conservation to map oil and gas deposits and show the location and extent of water resources that extraction might affect. Also requires a new application process for drilling that includes disclosure of chemicals to be used.

Status: Amended in Assembly Natural Resources Committee.

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Incentives

CEC Opens Vehicle Incentive Program

Solicitation offers millions for new NGV purchases; launches new, reservation-based funding approach

The California Energy Commission posted a Program Opportunity Notice (PON) April 13 offering more than \$10 million in incentives for new light-, medium-, and heavy-duty natural gas vehicles.

"This is a great opportunity for anyone who wants to purchase or sell NGVs," says Tim Carmichael, Coalition president. "We've been eagerly awaiting this solicitation—it's the biggest pot of funding available anywhere in the country right now. We're very excited about this program and hope that people take advantage of it."

'This is a great opportunity for anyone who wants to purchase or sell NGVs. We're very excited about this program.'

The solicitation, funded through the AB 118 Alternative and Renewable Fuel and Vehicle Technology Program, combines allotments from the 2008–09 and 2010–11 investment plans and operates largely as anticipated (see *CaINGV News*, 03.21.11).

The CEC is accepting "reservations" now for blocks of incentive funding, on a first-come, first-served basis. Reservations will remain open until April 1, 2013, or until the available funds

are exhausted. The process works like this:

- OEMs or vehicle dealers and distributors designated to act as OEM agents may apply.
- CEC staff will submit correctly filed reservation applications to the commission for approval at the next regular business meeting. Reservations must reflect the number of eligible vehicles that any one applicant can reasonably expect to sell within 120 days.
- If the reservation is approved the applicant will receive a confirmation. From that date, the applicant will have 120 days to complete qualifying sales and must file monthly progress reports.
- OEMs and their agents must include incentives at the point of sale as part of the negotiated price for the vehicle.
- To receive incentive payments, applicants must complete a claim form and provide documentation.
- Reservations expire after 120 days or when the applicant receives payment for the total

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Inside

- **Chrysler News:** Automaker plans NGV introduction
- **IMPSCO Systems:** Company certifies Ford, GM CNG conversions
- **Truck Money:** CARB releases Prop. 1B funds for upgrades

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AB 638 | Author: Skinner

In brief: Requires CARB and the CEC to attain the targets in the state's petroleum reduction strategy and alternative fuels plan, and ensure that all future regulations and guidelines maximize the attainment of targets.

Details: Co-sponsored by the Coalition and CALSTART.

Status: In Assembly Natural Resources Committee April 25.

AB 768 | Author: Gatto

In brief: Requires CARB to allow an out-of-state renewable natural gas producer with pipeline access to generate Low Carbon Fuel Standard (LCFS) credits.

Status: Passed Assembly Natural Resources Committee; in Assembly Transportation Committee May 2.

AB 1314 | Author: Wieckowski

In brief: Makes changes to the AB 118 Alternative and Renewable Fuel and Vehicle Technology Program, including a requirement that the CEC adopt an investment plan every two years.

Status: Referred to Assembly Natural Resources Committee.

SB 37 | Author: Simitjan

In brief: Requires the CEC to study the need for LNG imports to meet energy demand.

Details: The bill also requires the CEC to license a coastal LNG facility prior to a lease or permit being issued by the Lands Commission or Coastal Commission.

Status: Passed Senate Energy, Utilities, and Communications Committee; in Senate Appropriations Committee May 2.

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amount of incentives reserved, whichever is sooner. Applicants may reapply for additional reservations as long as incentives are available (but an applicant may have only one open reservation at a time).

Funding levels and reservations cap Funding levels will vary depending on the size of the vehicle: \$3,000 for vehicles up to 8,500 pounds; \$8,000 for those weighing 8,501 to 14,000 pounds; \$20,000 for vehicles from 14,001 to 26,000 pounds; and \$32,000 for the largest vehicles. The solicitation caps the amount an OEM can request in a single reservation at \$575,000 for vehicles under 16,000 pounds and \$1.3 million for larger vehicles. For OEMs that designate vehicle dealers or distributors to apply as their agent, the cap applies to the sum of the reservations requested by those agents.

The incentive funds may be combined with funding from other sources as long as combined incentives don't exceed the differential price of the eligible vehicle and a gasoline or diesel counterpart with similar trim levels.

Vehicles must be registered in California and operated in the state for at least three years. School and transit buses are not eligible.

Application materials are available on the [CEC website](#). Send questions to the CEC via [e-mail](#) or mail (see the application manual). Questions and answers will be posted on the website as part of the PON. (People and organizations submitting questions will not be identified.) ▶

News Briefs

Chrysler Floats Time Frame for Introducing NGVs Chrysler Group plans to start selling NGVs by 2017, Bloomberg reported last week.

"The technology is very actively being worked on," Bob Lee, Chrysler's vice president for engine and electrified propulsion systems, told Bloomberg.

Fiat, which owns 30 percent of Chrysler and reportedly plans to increase the holding to 51 percent, is a leading supplier of CNG-powered vehicles in Europe. Sergio Marchionne, chief executive officer of both Chrysler and Fiat, has said natural gas engines are an attractive way to cut emissions because they're cheaper than competing technologies.

Chrysler said in February that it was exploring the possibility of adding CNG engines to its Ram truck brand. (See [CaNGV News, 02.21.11](#).)

IMPCO Receives Ford, GM CNG Certifications IMPCO Technologies, a business unit of Fuel Systems Solutions, has received EPA certification for dedicated CNG fuel systems for 2011 model-year Ford and GM commercial vehicles.

The following Ford vehicles are included: the 5.4L V8 engine in the Ford E-150, 250, and 350; the 6.8L V10 two-valve engine in the Ford E-450; the 6.8L V10 three-valve engine in the Ford F-450 and 550 Super Duty Truck; the 6.2L V8 engine in the F-250 and 350 Super Duty Truck; and the 2.0L I4 engine in the Ford Transit Connect Van.

The following GM engines are included: GM 4.8L HD, GM 6.0L HD (10,001–14,000 GVW), and GM 6.0L HD (10,001–14,000 GVW and over 14K GVW).

CARB has also approved the systems for the Ford 6.8L V10 engines in both the two-valve and three-valve configurations.

Ryder Building Heavy-Duty NGV Rental Fleet in Southern California Ryder has ordered 202 heavy-duty NGVs as part of its project with the San Bernardino Associated Governments to launch a natural gas truck rental and leasing operation in Southern California.

The order includes 182 Freightliner M2-112 tractors powered by the Cummins ISL-G

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SB 246 | Author: De León

In brief: Requires CARB to meet requirements related to verification and oversight of AB 32 compliance offsets, if CARB allows offsets.

Status: In Senate Environmental Quality Committee May 2.

SB 724 | Author: Dutton

In brief: Authorizes CARB's executive officer to approve certification of an EPA-certified new vehicle or engine without additional testing, if state emissions standards for the vehicle or engine are no more stringent than federal standards.

Status: In Senate Transportation and Housing Committee April 26.

SB 739 | Author: A. Lowenthal

In brief: Requires the ports of Long Beach, Los Angeles, and Oakland to assess their infrastructure and air quality improvement needs, including projects to improve goods movement efficiency and reduce congestion and pollution associated with goods movement.

Status: Passed Senate Transportation and Housing Committee; referred to Senate Environmental Quality Committee.

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engine, in both single-axle and tandem-axle day cab configurations. Other vehicles are coming from a mix of manufacturers. Ryder will begin taking delivery of the vehicles this month, and expects to have the full order integrated into its fleet by September, Green Car Congress reports.

Ryder has also begun upgrading three maintenance facilities to service NGVs and will construct two natural gas fueling stations.

President Obama Kicks Off National Clean Fleets Partnership President Obama on April 1 launched the National Clean Fleets Partnership, part of the Clean Cities initiative run by the U.S. Department of Energy's Vehicle Technology Program. This public-private partnership is intended to help large companies reduce diesel and gasoline use by incorporating alternative fuels, electric vehicles, and fuel-saving measures into fleet operations.

The Department of Energy (DOE) will offer specialized resources, technical expertise, and support through the NCFP. Members will have opportunities to exchange information with peers, collaborate with DOE and national laboratories on research and development initiatives, and get assistance in pursuing group purchasing initiatives that allow smaller companies to work with their larger peers to gain the benefits of buying advanced vehicles in bulk.

The charter members are AT&T, FedEx, PepsiCo, UPS, and Verizon.

CARB Offers \$106 Million to Clean Up Heavy-Duty Trucks CARB is distributing \$106 million in grant funding to help diesel truck owners upgrade or replace their vehicles. For replacements with natural gas trucks, these funds can be combined with the CEC's new PON for natural gas vehicle funding (see page 1).

Six local air districts are soliciting applications from truck owners to compete for grants, with varying amounts of funding available:

- Bay Area Air Quality Management District (\$7.5 million)
- Imperial County Air Pollution Control District (\$3 million)
- Sacramento Metro Air Quality Management District (\$9.8 million)
- San Joaquin Valley Air Pollution Control District (\$44.7 million)
- San Diego Air Pollution Control District (\$6.5 million)
- South Coast Air Quality Management District (\$39.8 million)

Projects selected for funding will achieve the greatest emissions reductions per state dollar and also achieve emissions reductions not required by law or regulation. The program, supported by Proposition 1B bonds, has awarded \$230 million over the past two years.

Ford Sees Demand for CNG Vehicles Rise with Gas Prices As gas prices rise across the U.S., Ford reports rising demand for its CNG-powered commercial vehicles. Increased government incentives and more fueling stations are also spurring interest, the automaker says.

Gasoline prices have been climbing for months, but CNG costs have been less volatile: According to the U.S. Department of Energy, CNG was \$1.93 per gge in January 2011, the same as in October 2010 and a drop from its peak of \$2.34 in the summer of 2008. Government incentives such as rebates and tax credits are also prompting fleet owners to buy CNG vehicles and conversion systems, Ford says.

Peterbilt, Westport Innovations to Supply LNG Transport Truck Fleet Westport Innovations, Peterbilt Motors Company, and Encana Natural Gas are teaming up to help Heckmann Water Resources (HWR) transition its transport truck fleet to LNG vehicles. The result will be the largest fleet of LNG trucks in North America, according to Westport.

HWR is purchasing 200 Peterbilt 367 LNG trucks that incorporate Westport HD systems, while Encana is providing fueling services where HWR operates its transport fleet. HWR is a water solutions company that focuses on oil and natural gas exploration and production.