



# CalNGV News

The newsletter of the California Natural Gas Vehicle Coalition

## Policy File

The Coalition is tracking 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 1500 | Author: Lieu

**In brief:** Extends HOV lane access for single-occupant alternative fuel vehicles ("white stickers") three years beyond the current sunset, to Jan. 1, 2014.

**Details:** AB 1500 is sponsored by the Coalition; the bill was introduced in 2009.

**Status:** In Senate Appropriations 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 535 | Yee

**In brief:** Requires the Department of Motor Vehicles to issue up to 65,000 identifiers to vehicles that meet California's enhanced AT-PZEV standard and have a 65 mpg

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## INSIDE

**Diesel Rules** CARB seeks changes in September  
**News Briefs** State of the Air report; AFVI event; BAF gets Verizon contract; think tank touts NGV benefits

## New Draft AB 118 Plan Gets Review

Added analysis shows that NGVs merit a bigger slice of 2010–2011 funding, Coalition says

**C**oalition President Tim Carmichael made a pitch for more funding for NGVs and requested additional natural gas analysis at last week's meeting of the Advisory Committee for the AB 118 Alternative and Renewable Fuel and Vehicle Technology Program.

The committee met April 30 to provide feedback on the CEC's second draft of the 2010–2011 Investment Plan for the program, which covers July 1, 2010 to June 30, 2011.

The draft plan provides more details on the natural gas opportunity, including greenhouse gas emission reductions from NGVs, an expanded list of medium- and heavy-duty NGV products, and additional biomethane sources.

The funding allocation for natural gas projects, however, remains the same: \$12 million to cover differential costs for medium- and heavy-duty NGVs, \$2 million to upgrade publicly accessible natural gas fueling stations, and \$10 million for new construction or expansion of biomethane facilities and quality testing.

"That's \$24 million out of \$108 million available, and that sounds like a reasonable amount, but we think the facts support a higher allocation," says Carmichael, who is a member of the Advisory Committee. He requested more money for vehicle incentives "based on the immediate benefit and availability of our technology."

The CEC has shifted funding for natural gas projects from vehicles to infrastructure since passing the original investment plan, but Carmichael points out that supporting natural gas vehicles spurs private investment in infrastructure, because it assures station operators that they will have customers.

**Projections cause concern** Coalition members have also expressed concern about Appendix A to the revised draft, which shows very few greenhouse emissions reductions from natural gas fuels (presumably including biomethane, though it's not specifically mentioned) in the 2020–2050 time frame. The reason for the limited reductions is not clear, but the assumption seems to be based on low CEC projections for NGV use in those years. Those projections run counter to market factors the CEC has acknowledged: according to the draft plan, NGV

The new draft plan provides more details on the natural gas opportunity.

use is growing in heavy-duty applications, and federal funding is encouraging expansion of light-duty NGV markets. In addition, recent assessments indicate that North America has at least a 120-year supply of natural gas. Carmichael asked the CEC to clarify its rationale and provide supporting data. He also asked the CEC to include consideration of natural gas–electric hybrid opportunities. The Coalition will follow up with written comments.

The CEC will hold workshops May 20 in Long Beach, May 25 in Stockton, and May 27 in San Francisco to solicit additional input on the plan; comments are due June 7. Staff will post a revised plan in late June, then hold a final public workshop in mid-July. The commission is slated to vote on adopting the plan in late July. ▶

## CARB Seeks Changes to Diesel Rules

CARB has given staff until September to draft proposals to “provide additional flexibility” for businesses and individuals subject to the state’s new on- and off-road diesel engine rules.

“We fully recognize that the economy has had an effect on the owners and operators of big rigs, buses, and construction equipment, and has also resulted in emissions from these vehicles being lower than we expected,” said CARB Chair Mary Nichols in a statement on the action. “We are committed to taking those impacts into consideration for our diesel clean-up program.”

The board directed staff to draft changes to the regulations that will “mitigate the potential effects of an unfavorable economy on affected businesses, while keeping in mind the need to protect public health, meet federal clean air deadlines, and continue moving forward even through uncertain times.” The board also asked staff to consider additional loans and incentive funding and ways to credit firms that have already complied with the regulations.

The April 22 meeting focused on off-road equipment: CARB staff said they had overestimated the number of construction vehicles in California by 200,000 and overstated the amount of emissions that need to be cut by 50 to 80 percent. The revised rule will be based on the updated estimate. Nonetheless, the error sparked outrage among critics of the regulation, who urged the board to delay implementation five years. CARB has already delayed enforcement of off-road engine performance requirements, which had been scheduled to start in March, pending revisions and EPA authorization for certain requirements.

**On-road revisions are under way** Revisions to the on-road regulation are already under way. CARB instructed staff in December to consider three options for amending the Statewide Truck and Bus rule: adding a “medium” fleet category (the rule currently defines “small” fleets as those with three or fewer trucks and considers all other fleets “large”); allowing a two-year exemption from the rule for the first 10 trucks of any fleet; and delaying the entire rule for 12 months (enforcement is slated to begin in 2011). Other possible amendments include tying implementation to an economic recovery and increasing credits for on-time or early compliance. (See *CalNGV News*, 12.14.09.)

CARB staff plans to conduct a series of workshops in May and June in Los Angeles, Sacramento, and Fresno to get comments on proposed revisions to both regulations. ▶

### news briefs

**State of the Air: Improving, Still Awful** The American Lung Association’s 2010 *State of the Air* report, released April 28, shows that despite significant progress in improving air quality Californians still breathe some of the worst air in the nation. Over 91 percent of Californians—more than 33 million people—live in counties with failing air quality grades and pervasive ozone (smog) and particle pollution, the report says.

Eight of the 10 most ozone-polluted U.S. cities are in California. Los Angeles, Bakersfield, and Visalia, in that order, top the list. Bakersfield is also

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or greater combined fuel economy rating. Single-occupant vehicles with the identifier (a sticker) would be authorized to use HOV lanes until Jan. 1, 2014.

**Details:** The bill was introduced and substantially amended in 2009.

**Status:** In Assembly Appropriations Committee.

### SB 927 | Huff

**In brief:** Spot bill on HOV lanes.

**Details:** The Legislature is considering two other bills, AB 1500 (Lieu) and SB 535 (Yee), that would extend HOV lane access for clean vehicles.

**Status:** Referred to Senate Rules Committee.

### SB 960 | Author: Dutton

**In brief:** Requires the Legislative Analyst to analyze major regulations adopted by CARB to determine their costs and benefits and technological feasibility.

**Status:** Failed to pass Senate Environmental Quality Committee; reconsideration granted.

### SB 1033 | Author: Wright

**In brief:** If market-based compliance mechanisms (such as cap and trade) are adopted to implement AB 32, the amended SB 1033 would require CARB to limit the distribution or sale of GHG emission allowances to regulated entities.

**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 the Senate Appropriations 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.

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No. 2 in annual particle pollution, and No. 1 in short-term particle pollution. Los Angeles, Visalia, Fresno, and Hanford are in the top 10 in both particle pollution categories; Sacramento and Modesto are in the top 10 for short-term particle pollution.

Annually, the state's dirty air causes 19,000 premature deaths and 9,400 hospitalizations, the report notes, adding that a RAND Corporation study found that the state's dirty air cost \$193 million in hospital and emergency room visits between 2005 and 2007.

Despite the grim statistics, the state's air quality overall has improved during the 11 years the American Lung Association has been publishing this report. Los Angeles, ranked No. 1 in the nation for ozone pollution for the past two years, has seen its number of high ozone days drop 25 percent since the release of the 2000 report. The report attributes that progress to California's strong regulatory policies.

In particular, the report notes, "Diesel control regulations and funding for cleaner technologies and equipment have helped replace and retrofit thousands of diesel trucks and school buses," reducing harmful emissions. To see the full California report, go to [www.lungusa.org/california-sota2010](http://www.lungusa.org/california-sota2010).

**Coalition President Speaks at AFVI Event** Coalition President Tim Carmichael will speak at the Alternative Fuels & Vehicles Conference + Expo May 9 as part of a panel on "Why Advocacy Matters." Other panelists include Stephen Crolius of the Clinton Foundation, Brian Wynne of the Electric Drive Transportation Association, and Sam Spofforth of Clean Fuels Ohio. Carmichael will talk about the advocacy tools the Coalition uses to advance industry interests at the state level.

**BAF Gets Verizon Contract** BAF, a subsidiary of Clean Energy, is converting 501 new Ford E-250 Series vans to run on CNG for Verizon. The vans, slated for deployment later this year, will use BAF's proprietary CalComp System.

The vehicle up-fits will take place at Steelweld Equipment Co. locations in Hemet, Calif., and Temple, Texas, and at North American Equipment Upfitters in Hooksett, N.H.

**Think Tank Touts Long-Term Benefits of NGVs** A new Center for American Progress report, *American Fuel: Developing Natural Gas for Heavy Vehicles*, makes the case that any comprehensive clean energy and climate change bill should encourage a program to convert heavy-duty vehicles to run on natural gas.

The report, drawing on data from the Dept. of Energy, Energy Information Administration (EIA), Federal Highways Administration, and other sources, predicts that a strong national incentive program encouraging the introduction of 3.5 million heavy-duty NGVs (through purchases and retrofits), along with the construction of refueling facilities, would keep the United States from importing about 1.2 million barrels of oil each day.

In addition to reducing petroleum use, a national NGV incentive program would spur investment in U.S. energy sources, increase U.S. energy independence and national security, and slash air pollution, the report says. See the report at [www.americanprogress.org/issues/2010/04/american\\_fuel.html](http://www.americanprogress.org/issues/2010/04/american_fuel.html).

**Sonoma County Rolls Out New CNG Buses** Sonoma County Transit is rolling out 10 new CNG buses in mid-May. Authorities at the agency say the vehicles will make Sonoma County the only Bay Area municipality to use CNG in all of its heavy buses (30 feet and longer). A spokesman notes that the agency has been operating natural gas buses since 1996, and that all heavy buses have run on CNG since 2006.

The 40-foot, 37-passenger buses are the latest version of the Orion buses made by Daimler North America. Rider amenities include wireless web access, a luggage rack, reading lights, and improved wheelchair accessibility.

Each bus cost \$455,000. Funding came from state, federal, and Bay Area Air Quality Management District sources.

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**Status:** Failed to pass Senate Environmental Quality Committee; reconsideration granted.

### **SB 1198 | Author: Huff**

**In brief:** Amended significantly to say that the CEC's television product labeling regulations will not be effective until July 1, 2011, and will remain in effect only until the Federal Trade Commission issues a final labeling rule for television products.

**Status:** Referred to Senate Appropriations Committee.

### **SB 1238 | R. Calderon**

**In brief:** Requires CARB, when 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:** Referred to Senate Environmental Quality Committee.

### **SB 1245 | Simitian**

**In brief:** Amended to prevent vehicles that meet occupancy requirements for HOV and HOT lanes from being charged a toll.

**Status:** Referred to Senate Appropriations Committee.

### **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:** Senate Environmental Quality Committee hearing was canceled at the author's request.

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