



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 8 | Author: Perea
SB 11 | Author: Pavley

In brief: These identical bills extend three clean-vehicle incentive programs (AB 118, AB 923, and Carl Moyer) for eight years.

Details: The bills follow last year's SB 1455, which barely failed passage.

Status: AB 8, set for Assembly Natural Resources Committee hearing May 6; SB 11, passed Senate Transportation and Housing Committee, re-referred to Senate Appropriations Committee.

AB 1077 | Author: Muratsuchi

In brief: Reduces the gross price of NGVs for the purposes of state sales tax and DMV license fees.

Status: Set for Assembly Revenue and Taxation Committee hearing May 6.

AB 1257 | Author: Bocanegra

In brief: Enacts the Natural Gas Act, requiring the CEC to report to the Legislature every four years on strategies to maximize the benefits of natural gas as an energy source.

Status: Passed Assembly Natural Resources Committee, re-referred to Assembly Appropriations Committee.

AB 1314 | Author: Bloom

In brief: Signals the Legislature's intent to ensure the reliability and safety of CNG-

CONTINUED ON PAGE 2

Regulation

CARB Updates Conversion Proposal

Workshop unveils a streamlined path for alternative fuel conversion certifications, but excludes upgrades

CARB laid out an updated proposal to modify its alternative fuel conversion certification process for new and in-use vehicles at a workshop last week in El Monte.

Under the latest proposal, retrofit system manufacturers that sell fewer than 4,500 alternative fuel systems per year in California would qualify for a streamlined application and certification process; reduced testing requirements, especially for on-board diagnostics; and closer alignment with EPA testing requirements, including for fuel.

"There's much to like in this proposal—it's clear that CARB is being responsive to public comments about how to make alternative fuel conversions more feasible for small-volume manufacturers," said Coalition President Tim Carmichael. "What concerns us is that CARB proposes to allow this streamlined process only for vehicles being converted to the same emissions standard the gasoline vehicle meets. That's a problem because most natural gas conversions are done to meet a more stringent standard, to make the vehicles eligible for solo-driver HOV lane access and some incentive funding. Under CARB's proposal, companies that want to convert to a more stringent standard would have to continue to use the existing, much more burdensome process."

The good news in CARB's proposal includes these proposed changes:

- Only four on-board diagnostics demonstrations would be required (fuel system, rich/lean, O₂ sensor, and catalyst), and manufacturers could test using less expensive rapid-aged parts or an in-use vehicle with over 25,000 miles.
- Certification fuel standards for natural gas would match federal standards, which allow the use of commercially available fuel, provided the applicant gets a fuel specification report from the seller. This would reduce certification costs significantly by eliminating the need for specialized testing fuels.
- Exhaust testing would allow the option to use a non-methane hydrocarbon X1.5 multiplier for natural gas to determine amounts of non-methane organic compounds.
- Companies could use EPA deterioration factors for vehicles with up to 25,000 miles on them, and prorated deterioration factors for vehicles that have been driven longer.

CONTINUED ON PAGE 2

Inside

- **Market Trends:** Corporate demand for NGVs rises
- **RNG:** Waste Management opens new station at Altamont
- **LNG In A Box:** GE introduces modular LNG station

Policy File

CONTINUED FROM PAGE 1

powered NGVs by addressing the inspection of cylinders and tank brackets on these vehicles. **Status:** Held in Assembly Transportation Committee at author's request.

SB 286 | Author: Yee

In brief: Extends HOV lane access for white- and green-stickered vehicles by three years, to Jan. 1, 2018.

Details: The Coalition is working with CALSTART, the Auto Alliance, and CalETC on the bill.

Status: Passed Senate; at Assembly Desk.

SB 600 | Author: Lieu

In brief: Signals the Legislature's intent to improve and simplify CARB's alternative fuel conversion certification program.

Status: In Senate Appropriations Committee.

Member News

Coalition Displays NGVs at CEC Meeting The CEC has invited the Coalition to display NGVs at its May 8 meeting. UPS, Waste Management, Landi Renzo USA, BAF Technologies, and Honda are providing vehicles for the commissioners to check out.

CaNGV News is published biweekly by the California Natural Gas Vehicle Coalition.
Editor: Thinkshift Communications
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CONTINUED FROM PAGE 1

- For vehicles previously certified in California, certification would apply to both a kit and an installation, providing a path for converting new or relatively new vehicles at the point of sale.

CARB requests comments on the proposal by mid-May and plans to issue a Statement of Reasons by August 7, then take the proposal to the board in September. Details and documents are available on the [Alternative Fuel Conversion Certification Procedures Web page](#). ▶

Market Trends

Corporate Demand for NGVs Rises

Corporate demand for natural gas transportation is rising, thanks to recent investments by companies such as shipping giant UPS and efforts by other Fortune 500 companies to find environmentally friendlier, more cost-effective transportation for their products.

UPS announced April 23 that it plans to buy roughly 700 LNG-fueled trucks to serve 10 states and build four refueling stations to serve the trucks by the end of 2014, resulting in one of the most extensive private LNG fleets in the U.S. The trucks will be Kenworth tractors powered by the new 12-liter Cummins Westport ISX12 G engine.

UPS cited lower fuel costs, domestic fuel sources, and reduced CO2 emissions as reasons for the move. "LNG will be a viable alternative transportation fuel for UPS in the next decade as a bridge between traditional fossil fuels and emerging renewable alternative fuels and technologies that are not quite ready for broad-based long-term commercial deployment," said UPS Chairman and CEO Scott Davis in the announcement.

Federal and state incentives also played a part in the decision: the Texas Natural Gas Vehicle Grant Program, which provides incentives to convert or replace diesel vehicles with natural gas models, will fund the purchase of 130 trucks.

Logistics and hauling companies aren't the only ones looking into natural gas-fueled fleets. Their customers—blue-chip manufacturers and retailers such as Nike, Walmart, and Procter & Gamble—are reportedly pressing shippers to use less-polluting transportation options, according to a recent [New York Times story](#).

Walmart in particular has been actively exploring a move toward natural gas. The company ordered a study of what it would take to convert its entire 8,500-truck fleet to natural gas, and has partnered with equipment manufacturers to build several prototype alternative-fuel tractors, including some powered by natural gas. Meanwhile, AT&T has been building a natural gas fleet since 2008, fielding 5,200 natural gas vans to date as part of a fleet that will eventually total 8,000. ▶

News Briefs

WM Debuts Closed-Loop LNG Station at Altamont Landfill Waste Management has opened a CNG fueling station at the Altamont landfill, fed by LNG produced at the site's landfill gas plant. The station fuels 22 Waste Management transfer trucks that together collect over 500 tons of garbage daily from the East Bay and use the equivalent of 2,200 gallons of diesel per day. Waste Management is looking at a Simi Valley location for a plant that would be about 1.5 times larger than the Altamont facility, which is rated at 13,000 gallons per day.

GE Introduces LNG In A Box Fueling Station General Electric is sending five LNG In A Box units to Europe's Gasfin for use in clusters of LNG fueling stations, probably along the Italy-Slovenia border. Each modular, plug-and-play unit is designed to produce 10,000–50,000 gallons of LNG daily. GE says the units have the potential in North America for a three-year payback on capital cost.