



# CaINGV 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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## Italian AFV Giant Opens U.S. Branch

### Landi Renzo pursues CNG fuel system sales nationwide from new SoCal headquarters

**T**he new U.S. subsidiary of Italian alternative fuel systems powerhouse Landi Renzo is putting the finishing touches on its 22,000-square-foot Torrance headquarters and expects to be open for business at the end of this month.

Landi Renzo is entering the U.S. market to "meet the expected increase in demand for CNG vehicles over the next five years and beyond," driven by consumer interest in more environmentally friendly transportation, the need to reduce dependence on foreign oil, and forecasted increases in crude oil prices, according to a company release.

The company says it's the world's largest alternative fuel system manufacturer, with a market share of over 30 percent in CNG and LPG fuel systems, and has more than 50 years' experience in alternative fuel systems design, engineering, manufacturing, installation, and service—both in cooperation with OEMs and in the aftermarket. Landi Renzo S.p.A. works with 13 automakers, including Mercedes, Fiat, Alfa Romeo, Toyota, Volkswagen, and Renault.

Landi Renzo USA hopes to build on that base to capture a prime market opportunity in the light- and medium-duty NGV sector, says Matt Weiss, vice president of sales and marketing for Landi Renzo USA.

**Room to grow** "The climate bill just introduced shows the increased interest here in natural gas," Weiss says. "The rest of the world averages about 7 percent sales for natural gas vehicles; in the U.S., it's about 0.7 percent—this is an extremely attractive market with room for everyone to grow."

Weiss says he and the startup team have been talking with larger fleet operators and will provide full fuel systems, but the company isn't yet ready to talk about specific products, customers, or partners. "We will start doing some upfitting soon," he says. "Our business model in Europe and Asia involves direct installation at OEM factories, and we would want to duplicate that model in the U.S."

The company plans to market across the country from its base in South-

**'We are 100 percent committed to the U.S. market. We're not just temporarily checking it out.'**

ern California. “Landi Renzo USA, led by President Andrea Landi, wanted to be in California because the company feels California is in the forefront of CNG technology and is committed to environmental causes and energy independence,” Weiss says. “This puts us in a place where we can be part of that movement. There’s also a great customer base here. But we are also interested in the Midwest, the East Coast, and the South.

“We are 100 percent committed to the U.S. market,” he says. “We’re not just temporarily checking it out.”

## American Power Act Supports NGVs

The American Power Act (S. 1733), introduced May 12 by U.S. senators John Kerry and Joseph Lieberman, contains a number of provisions supporting the NGV industry, including a doubling and extension of the current federal tax credits available for the purchase of fleet NGVs. The bill’s NGV-related provisions would:

- Extend and double the alternative fuel credit for the purchase of certain classes of heavy-duty NGVs.
- Extend and double the alternative fuel credit for commercial fleets of at least 10 vehicles that purchase at least three light-duty NGVs.
- Modify the definition of mixed-fuel vehicle to include a vehicle capable of operating on CNG or LNG that operates at 65 percent natural gas and not more than 35 percent petroleum-based fuel.
- Permit state and local governmental entities to issue tax credit bonds to finance natural gas vehicle projects, up to a national limit of \$3 billion.
- Allow 100 percent of the cost of a natural gas vehicle manufacturing facility placed in service before Jan. 1, 2015, to be expensed and treated as a deduction in that tax year.
- Allow 50 percent of the cost of a natural gas vehicle manufacturing facility placed in service after Dec. 31, 2014, and before Jan. 1, 2020, to be expensed in that tax year.

The legislation, which is supported by industry organizations and businesses, including NGVAmerica and Clean Energy, also includes funding for the manufacture of “advanced” vehicles and infrastructure and directs the Administrator of General Services to study how to increase the number of light-, medium-, and heavy-duty natural gas and liquefied petroleum gas vehicles in the federal fleet.

“The introduction of this bill, particularly the tax incentives specified for natural gas vehicles, is a highly meaningful step in national efforts to help ensure U.S. energy security and preserve environmental quality,” said Clean Energy President and CEO Andrew Littlefair in the company’s endorsement.

## ISE Starts Selling CNG Hybrid System

San Diego-based ISE Corp. has begun accepting orders for its new CNG-electric hybrid system for transit buses, with production units expected to be available in 2011.

The company says its battery-dominant CNG Hybrid System has a number of advantages over conventional CNG systems, including:

- Up to 40 percent greater fuel efficiency, allowing removal of a significant amount of onboard fuel storage without compromising vehicle range.
- A Ford V10 engine that’s over 1,000 pounds lighter than the modified diesel engines used in conventional CNG vehicles.
- Up to 40 percent lower CO<sub>2</sub> emissions (CO<sub>2</sub> emissions are lower than those from diesel hybrids as well).

ISE says buses running on its CNG Hybrid System will have more than enough power to handle freeway travel and varied bus routes.

“We believe this configuration gives mass transit customers an excellent

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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:** On Senate Floor; third reading.

### 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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CNG solution that will take them through the next 10 years—one that can help them save up to 40 percent on fuel and significantly reduce harmful CO<sub>2</sub>, NO<sub>x</sub>, and particulate emissions,” said ISE President and CEO Rick Sander in the company’s announcement. ▀

## news briefs

**EPA Proposes Streamlined Conversion Certification Process** The EPA has issued proposed revisions to the process for certifying aftermarket conversion systems that it says would “reduce some economic and procedural impediments to clean alternative fuel conversions while maintaining environmental safeguards.”

The move is largely in response to calls from the NGV industry, states, and others for the agency to streamline its certification process, on the grounds that the expense and time required make certification an unreasonable market barrier for conversion systems manufacturers. The EPA said in announcing the proposal that it “reflects EPA’s interest in encouraging innovation and spurring conversions that use clean energy technologies.”

Under the proposed approach, compliance requirements would vary based on age of the vehicle or engine being converted. “As opposed to a one-size-fits-all approach, requirements would now be based on whether a vehicle or engine is deemed to be new, intermediate-age, or outside its expected useful life,” the EPA said.

The notification and demonstration requirements for new and nearly new vehicles and engines would remain similar to current certification requirements. The requirements for intermediate-age vehicles and engines would involve testing and data submission showing that the converted vehicle or engine continues to meet applicable standards. The EPA is seeking comment on three possible demonstration options for vehicles and engines that have exceeded their regulatory useful life.

Comments will be accepted through July 23. For details, go to [www.epa.gov/otaq/consumer/fuels/altfuels/420f10002.htm](http://www.epa.gov/otaq/consumer/fuels/altfuels/420f10002.htm).

**SuperShuttle Taps Clean Energy for Fuel, Vans** Clean Energy has signed a five-year agreement with SuperShuttle International to provide CNG fueling services to SuperShuttle vans operating at major U.S. airports nationwide.

Under the agreement, SuperShuttle vans will fuel up at existing and future public-access Clean Energy CNG stations serving airports including Los Angeles, Burbank, Ontario, Orange County, San Francisco, and San Diego in California, as well as Dallas/Fort Worth, Denver, New York City, and Phoenix.

For the initial deployment, SuperShuttle has ordered 40 CNG vans for San Francisco International Airport through Clean Energy subsidiary BAF.

**EPA Certifies Altech-Eco System for Ford Fusion** Altech-Eco Corp. has obtained Certificates of Conformity from the EPA for its 2010 Ford Fusion passenger sedan CNG conversion system. It allows the Fusion to run entirely on natural gas or to operate as a bifuel vehicle (CNG and gasoline) with a driving range of over 700 miles.

It’s the first EPA certification of a bifuel conversion system, according to the company. The certificates approve up to 20 vehicle conversions of each type; thereafter a new certificate is required. Buyers of the dedicated CNG version qualify for a \$4,000 federal tax credit.

**SCAQMD Funds CNG School Buses** The South Coast AQMD has awarded \$16.6 million to help Southern California school districts replace pre-1987 model year diesel buses with natural gas vehicles. The award, one of the agency’s largest for school bus funding, will put 96 CNG buses into service in Bonita (5 buses), Castaic (1), Downey (2), Hacienda/La Puente (6), Los Angeles (80), and Walnut Valley (2).

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

### 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:** In Senate Appropriations Committee; placed on Suspense file.

### SB 1263 | Author: Wyland

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

**Details:** Similar legislation was voted down in the Assembly.

**Status:** Senate Environmental Quality Committee hearing was canceled at the author’s request.

## Calendar

### AB 118 Investment Plan

May 20 | Long Beach

May 25 | Stockton

May 27 | San Francisco

CEC public workshops to review and collect comments on the draft 2010–2011 Investment Plan. Details: [www.energy.ca.gov/2009-ALT-1/notices/index.html](http://www.energy.ca.gov/2009-ALT-1/notices/index.html)

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