



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 | Author: Torricco

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") four years beyond the current sunset, to Jan. 1, 2015.

Details: AB 1500 is sponsored by the Coalition. The bill, introduced in 2009, was amended May 26.

Status: On Senate Floor; a vote is expected the week of June 7.

AB 2513 | Author: 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 | Author: 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 or greater combined fuel economy rating. Single-occupant vehicles

continued on page 2

INSIDE

Truck GHG Rules Obama calls for national standards
News Briefs Coalition joins pro-AB 32 campaign; CARB considers fuel spec update; GM debuts CNG vans; more

Coalition Comments on AB 118 Plan

Letter asks CEC to review three key areas of concern in revised 2010–2011 investment plan

The Coalition is submitting comments on the revised draft 2010–2011 Investment Plan for the AB 118 Alternative and Renewable Fuel and Vehicle Technology Program highlighting three primary concerns.

The comments, to be delivered to the CEC June 1, address a shift in the agency's representation of the potential of natural gas as a transportation fuel through 2050, the CEC's decision to move funding allocated for vehicle incentives to biomethane production, and errors in underlying data.

NGV potential is better than ever The State Alternative Fuels Plan adopted in late 2007 identified natural gas as a fuel that exhibited great near- and long-term potential to displace petroleum in California, and the original AB 118 Investment Plan allocated significant funding to NGVs, the comments note.

Since that plan was adopted, however, the CEC has reallocated almost half of the funding slated for natural gas vehicle investments to

infrastructure projects, primarily for biomethane production. "As we have communicated in person, we strongly believe more of the money should be invested in vehicles," the comments say.

The current draft has aggressive projections for other fuels but little or nothing about the penetration of NGVs or advanced NGV technology (such as natural gas hybrids). "The bullish position that the CEC defined for NGVs in 2007 has disappeared just at a time when the outlook for natural gas as a transportation fuel has never looked better," the comments say, citing greatly increased assessments of the U.S. natural gas supply; higher oil price forecasts due to declining production and increased global demand; a growing price advantage for natural gas over gasoline and diesel; a growing NGV industry, as measured by increased NGV use, more products on the market, and expanded federal investment; and NGVs' current and potential greenhouse gas (GHG) performance, as well as their continued superior criteria pollutant emissions.

More incentives needed for vehicles than for infrastructure "In one of the success stories the CEC should be sharing widely, the natural gas vehicle industry has evolved to a point where most fueling stations do not need public

'It is critical that vehicles receive the lion's share of funding.'

funding to support their construction or operation,” the comments say, noting that private capital is funding CNG stations where there are enough NGVs to support them. “Increasing the number of NGVs on the road as soon as possible is critical to the continued success of this business model. That is why we are urging the CEC to put more money into vehicle incentives, rather than stations that may or may not have the demand to sustain them.”

The revised plan shows a balance between vehicle investments and infrastructure (biomethane plants and refueling stations), but the CEC’s summary of actual funding to date shows that more than \$11 million has been shifted from vehicles to biomethane plants. The comments reiterate the Coalition’s support for using AB 118 funds to develop biomethane resources, but express concern that the CEC will divert so much money away from vehicles that the state ends up with great biomethane facilities and not enough vehicles to use the fuel: “It is critical that vehicles receive the lion’s share of funding.”

Outdated figures should be corrected The Coalition believes the plan’s appendix on GHG emission reductions reflects a worst-case scenario for LNG rather than a more likely scenario (or even a reasonable average), resulting in a substantial underestimation of LNG’s carbon benefit versus diesel fuel. In addition, the Coalition argues that natural gas engines should have an energy economy ratio (EER) of at least 1.0 (higher is better), not the 0.9 EER the CEC currently assigns to them, because the newest natural gas engines are more efficient. The comments ask CEC staff to review the underlying data and make appropriate corrections. Get the comments on the [Coalition website](#). ▶

Obama Calls for Truck GHG Standards

President Obama has directed the U.S. EPA and Department of Transportation to create a national policy to increase fuel efficiency and decrease greenhouse gas (GHG) emissions from medium- and heavy-duty trucks.

The presidential memorandum, signed May 21, calls for the agencies to develop truck standards for model years 2014–2018. It also calls for an extension of the recently finalized standards for passenger cars, light-duty trucks, and medium-duty passenger vehicles (see *CalNGV News*, 4.5.10) to model year 2017 and beyond.

“This will bring down costs for transporting goods, serving businesses and consumers alike,” said Obama at the signing. “And, just like the rule concerning cars, this standard will spur growth in the clean energy sector. We know how important that is. We know that our dependence on foreign oil endangers our security and our economy. We know that climate change poses a threat to our way of life—in fact we are already beginning to see its profound and costly impact. And we know that our economic future depends on our leadership in the industries of the future.”

The White House noted that trucks consume more than 2 million barrels of oil a day and emit 20 percent of the GHG pollution related to transportation. It said preliminary estimates indicate great potential for significant fuel efficiency gains and GHG reductions in large tractor-trailers, which represent half the sector’s GHG emissions.

The memorandum also directs the Department of Energy to increase support for deployment of advanced vehicles and the EPA to reduce non-GHG pollutants from motor vehicles.

Report finds hefty benefits Boosting the fuel economy of new medium- and heavy-duty vehicles will create as many as 124,000 jobs nationwide by 2030, with all 50 states experiencing net job growth, according to a report released May 20 by the Union of Concerned Scientists and CALSTART. *Delivering Jobs: The Economic Costs and Benefits of Improving Heavy Duty Vehicle Fuel Economy* also finds that efficiency improvements could save owners of Class 8 truck fleets more than \$120,000 per tractor-trailer over eight years and owner-operators more than \$80,000 per tractor over 10–15 years, assuming an average \$3.50 per gallon fuel price.

Policy File

continued from page 1

with the identifier (a sticker) would be authorized to use HOV lanes until Jan. 1, 2014.

Details: Introduced and substantially amended in 2009.

Status: Moved to Assembly Active file June 1.

SB 927 | Author: 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, 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.

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

continued on page 3

CARB Chair Mary Nichols applauded the truck initiative, and CARB issued a separate statement on light-duty standards, noting that California has already taken the first steps toward developing combined criteria pollutant and GHG emissions standards for model years 2017–2025. CARB is committed to working with the EPA and NHTSA, the statement says, to develop technical assessments supporting a federal rulemaking. ▶

news briefs

Coalition Joins Stop Dirty Energy Campaign The Coalition has joined the Stop the Dirty Energy Proposition campaign, which is battling the oil industry's efforts to kill AB 32, California's landmark greenhouse gas reduction bill, with a deceptive ballot proposition. Valero Energy and Tesoro are the proposition's primary backers. The proposition would suspend AB 32 until the state's unemployment rate stays below 5.5 percent for four consecutive quarters. That has occurred only three times in the past 30 years, so the proposition would effectively end AB 32 enforcement. Leaders representing hundreds of clean energy companies have joined the fight. For information go to www.stopdirtyenergyprop.com.

CARB Considers Updates to Fuel Spec CARB is considering updates to the CNG fuel specification and is accepting initial suggestions and comments through June 3. Staff presented an overview of the current standard and various approaches to a new standard at a May 19 public meeting. CARB will develop proposals based on comments received, then evaluate the pros and cons of those proposals. Additional public meetings will be scheduled in July and August; staff hopes to make a recommendation to the board in September or October. Presentations given at the May 19 meeting by CARB staff, Southern California Gas Co., and the San Diego Air Pollution Control District are available at www.arb.ca.gov/fuels/altfuels/cng/cng.htm.

GM Introduces CNG Vans General Motors will begin offering CNG and LPG versions of its Chevrolet Express and GMC Savana full-size vans to fleet and commercial customers later this year. The CNG option will initially be available on 2011 model-year cargo vans with the specialized Vortec 6.0L V8 engine, which the company says provides improved wear resistance and durability for gaseous fuel systems. The vans will meet EPA and CARB certification requirements.

CEC Announces AB 118 Funding Awards The CEC has announced another round of AB 118 Alternative and Renewable Fuel and Vehicle Technology Program grant recipients. A total of \$13.8 million was available for projects that develop infrastructure for storing, distributing, and dispensing electricity, E-85, biomass-based diesel, and natural gas transportation fuels. Estimated funding for natural gas projects was \$5.6 million; over \$5.7 million was awarded.

The recipients and projects are: USA Waste of California, Waste Management Sun Valley LNG/LCNG refueling station, \$489,040; Bay Area AQMD, Oakland LNG infrastructure project, \$470,600; South Coast AQMD, Ontario 76 CNG infrastructure installation, \$300,000; Sacramento Regional Transit District, Bus Maintenance Facility 2 CNG fueling equipment, \$500,000; Border Valley Trading, Coachella Valley Regional LNG infrastructure project, \$500,000; Eco-final, CNG station, \$195,600; South Coast AQMD, Alternative and Renewable Fuel and Vehicle Technology Program, \$2.6 million; city of Reedley, Central Valley Transportation Center, \$300,000; city of Lemoore, CNG fueling station, \$200,000; and San Diego Metropolitan Transit System, upgrade CNG fueling station, \$186,148.

Newport Beach Opens CNG Station Newport Beach, partnering with Clean Energy, opened its first CNG fueling station May 19. The facility will serve both fleets and private vehicles 24 hours a day. The city recently purchased four CNG refuse trucks and is looking at adding sedans and light trucks to its fleet. Newport Beach receives a 5-cent royalty on every gallon of fuel sold.

Policy File

continued from page 2

SB 1238 | Author: 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 | Author: Simitian

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

Status: Senate Floor vote scheduled for June 1.

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

Coalition for Clean Air California Air Quality Awards

June 4 | Los Angeles

T. Boone Pickens will receive the Clean Air Leadership Award; other honorees are state Sen. Darrell Steinberg, East Yard Communities for Environmental Justice, California Cartage Co., Nissan, and UPS. Events include an invitation-only roundtable with Pickens, Ed Begley Jr., and others. Details: www.coalitionforcleanair.org/awards

CalNGV News is published biweekly by the California Natural Gas Vehicle Coalition.

Editor: Thinkshift Communications

© 2010 California Natural Gas Vehicle Coalition. All rights reserved.

Contact the CNGVC at:

1029 K Street, Suite 24
Sacramento, CA 95814
phone: 916/448-0015
fax: 916/448-7176
e-mail: editor@cngvc.org