



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 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: Signed into law July 6.

SB 535 | Author: Yee

In brief: Requires the Department of Motor Vehicles to issue up to 40,000 identifiers to vehicles that meet California's enhanced AT-PZEV standard. Single-occupant vehicles with the identifier (a sticker) would be authorized to use HOV lanes until Jan. 1, 2015.

Details: Amended on Assembly Floor June 24. Passed out of Assembly on June 28.

Status: In Senate Rules Committee; next step is likely a Senate floor vote on Assembly amendments.

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 allow-

continued on page 2

INSIDE

Westport Deal Company acquires OMVL, Juniper
Fleet Rules South Coast adopts refuse amendments
AB 118 Major grants go to advanced NGV technology

Clean Energy to Buy IMW Industries

Deal with compressor manufacturer will give company global reach, access to technology

Clean Energy Fuels Corp. has signed a deal to acquire IMW Industries that will nearly double Clean Energy's size in terms of personnel and give the company a global presence along with a reliable supply of compressors to support growth in the United States.

IMW, based near Vancouver in Chilliwack, B.C., manufactures and services advanced natural gas fueling compressors and related equipment used by station operators and commercial fleets. The company has opened a second manufacturing facility near Shanghai and has supplied more than 1,000 installations in over 20 countries, with an emphasis on China, Southeast Asia, and South America.

The acquisition agreement calls for Clean Energy to pay \$125 million in cash and stock for IMW. In addition, a cash earn-out arrangement will pay IMW's shareholders a percentage of IMW's gross profits over the next four years, up to a maximum of \$40 million total, assuming the profits exceed minimum thresholds. The companies expect to close the deal in the third quarter of this year.

"This acquisition transforms Clean Energy both in terms of capability and geographic reach," said Clean Energy President and CEO Andrew J. Littlefair in announcing the deal. "In the U.S. market, we now can provide integrated, advanced compression technology and station-building for our customers, adding value to our service package and broadening our attraction as a one-stop fueling provider."

Deal Enables U.S. Growth, Global Expansion Mitchell Pratt, senior vice president of engineering, operations, and public affairs at Clean Energy, says Clean Energy will maintain its current supplier and partner relationships, and IMW will maintain separate operations as a subsidiary.

"As the U.S. NGV market continues to expand with the shift away from foreign oil, this will enable us to manage the availability of compressors and be sure we can meet demand," he says. "It also allows us to participate in the global market using the channels IMW has established and the feet-on-the-ground sales and service organization it has built.

"The China growth opportunity is truly phenomenal," he adds, noting that

'This acquisition transforms Clean Energy both in terms of capability and geographic reach.'

IMW has signed an agreement with China Gas to build 120 large-scale CNG stations. “With the production capacity IMW has added and their strategic approach to combining manufacturing in the Shanghai and Vancouver facilities, we’ll be well positioned to help drive the NGV transition in China.” ▶

Westport Acquires OMVL, Juniper

Westport Innovations has acquired 100 percent of the outstanding shares of OMVL SpA and OMVL’s 51 percent share of Juniper Engines for a combined consideration of approximately \$23.4 million. Westport already owned a share of Juniper through a joint venture and now indirectly wholly owns the company.

In 2009, Juniper introduced 2-liter and 2.4-liter engines that run on LPG and natural gas. Those engines were based on the Hyundai Motor Company’s 2-liter and 2.4-liter industrial engine platforms and OMVL’s LPG multipoint injection technology.

“Since the formation of our Juniper Engines joint venture with OMVL over two years ago, we have worked together to develop a new approach to alternative fuel, light-duty engines,” said Westport Innovations CEO David Demers. “With the successful launch of our first Juniper products, and the rapid development of global markets for alternative fuel engines, we have concluded that this strategic combination, with access to Westport’s large intellectual property portfolio, could position Juniper as a significant market participant in light-duty engines.”

OMVL, he adds, “provides access to proven, high-quality, multipoint fuel injection technology and world-class production and assembly facilities to help develop and sell products for natural gas vehicles.” ▶

South Coast OKs Amended Refuse Rule

The South Coast AQMD Governing Board on Friday adopted amendments to its refuse truck fleet rule (1193) requiring both public refuse fleets and private fleets under contract to government agencies to acquire alternative fuel vehicles. Private fleets must convert to 100 percent AFVs within five years of signing a new or renewed contract, or on a rolling schedule.

The rule applies to fleets of 15 or more vehicles (public and all private vehicles combined). The “rolling retirement” compliance option limits fleets to a maximum vehicle age of 12 years; when diesel vehicles hit that age they have to be replaced with alternative fuel vehicles. In 2020, all affected fleets will have to be 100 percent AFVs. Fleets that choose the five-year option may apply for up to two additional years if they overcomply in earlier years or if they operate 50 or fewer vehicles and can show financial hardship.

The board, agreeing with arguments presented by environmental, labor, and natural gas industry advocates, cut the seven-year compliance period in the staff proposal to five years.

“There were a lot of good comments from the board about how much natural gas product is out there, how well it works, and how the agency needs to push hard for cleaner fuels,” says Coalition President Tim Carmichael, who spoke at the board meeting in favor of the shorter timeline. “I applaud the Governing Board taking this action. It’s great to see South Coast standing up for public health and clean technology.” ▶

CEC Awards Funds for Advanced NGVs

The CEC has approved 11 awards that leverage almost \$20 million in AB 118 Alternative and Renewable Fuel and Vehicle Technology Program funding with \$9.3 million in federal stimulus money and \$39 million in private funds for projects that will demonstrate the possibilities for cutting-edge natural gas, hybrid, and electric trucks and buses.

The largest award, a combined total of more than \$35.6 million, went to the San Bernardino Associated Governments for its partnership with Ryder

Policy File

continued from page 1

ances for regulated entities.

Status: Held in Assembly Natural Resources Committee without recommendation.

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.

SB 1245 | Author: Simitian

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

Status: Held in Assembly Transportation Committee without recommendation.

CNGVC News

Governor Signs HOV Lane Bill Sponsored by Coalition

Gov. Arnold Schwarzenegger has signed AB 1500 (Lieu), the Coalition-sponsored bill extending HOV lane access for single-occupant alternative fuel vehicles to Jan. 1, 2015.

“Over the past few years the state has taken the lead to reduce reliance on petroleum and transition to more alternative fuels and cleaner vehicles,” said the bill’s author, Assemblymember Ted W. Lieu (D-Torrance). “Continuing the HOV lane incentive for buyers of alternative fuel vehicles is consistent with our past and current efforts.”

Coalition President Tim Carmichael echoed those sentiments. “I applaud the governor for approving this critical environmental bill,” he said after the signing.

“AB 1500 provides a real incentive for Californians to drive cars

continued on page 3

Truck Transport Services to purchase and deploy up to 262 heavy-duty natural gas trucks and build two LNG fueling stations. (See *CalNGV News*, 4.19.10, for details.) Other NGV projects include:

Development of a natural gas–electric hybrid heavy-duty truck. Daimler Trucks will install the hybrid drive system on a Freightliner M2 heavy-duty commercial frame. Applications for the platform include local and long-distance hauling, refuse collection, utility operations, and school buses. Daimler forecasts that 20,000 units will be operating in California by 2020. Technical support partners include South Coast AQMD, BAE Systems for the hybrid drive system, and California Cartage Co. for demonstration. Funding: \$2.1 million from the CEC, \$3.15 million from participants.

Demonstration of a hybrid electric drive system for heavy-duty Class 8 trucks using a natural gas–powered microturbine. FedEx will use the Kenworth natural gas–powered hybrid in its operations starting in 2012. Other participants are SoCal Gas, Clean Energy, Capstone Turbine Corp., Brayton Energy LLC, Arvin Meritor, and CALSTART. Funding: \$1.45 million from the CEC, \$1.6 million from participants.

Demonstration of a low-emission, high-efficiency natural gas engine. The Gas Technology Institute and Cummins Westport engine, designed for regional hauling and heavy vocational truck applications, should improve fuel economy up to 10 percent compared with current spark-ignited natural-gas powered engines used in Class 8 trucks. Swift Transportation will demonstrate one engine in a Class 8 highway tractor for 12 months. Funding: \$1.78 million from the CEC, \$3.6 million from participants.

Development of a 24-hour public CNG fueling station to serve the city of Lemoore and the Lemoore School District. Funding: \$200,000 from the CEC, \$465,405 from participants.

Installation of three CNG dispensers at the Sacramento Regional Transit District bus maintenance facility. Funding: \$500,000 from the CEC, \$4.2 million from participants. ▀

news briefs

Trillium Gets Contract for San Diego CNG Projects The San Diego Metropolitan Transit System (MTS) awarded Trillium a \$14.6 million contract for capital upgrades to its three CNG fueling stations and a contract for 10 years of operations and maintenance services at those locations. The upgrades will augment the systems' compression and dispensing capacity while providing more cost-effective operations. MTS operates 407 CNG buses, about 75 percent of its bus fleet.

EPA Certifies Altech-Eco System Altech-Eco has received a Certificate of Conformity from the EPA for its dedicated 2010 Ford E-Series 5.4L CNG conversion system, which converts the E-150, E-250, and E-350 series vans to run on CNG. The approval means purchasers can take advantage of an \$8,000 federal income tax credit.

Clean Energy Lands Contracts for Trash, Bus Fleets Clean Energy has contracted with solid waste operator Republic Services to deliver LNG fuel to three Republic divisions in California. Clean Energy also secured a new 10-year contract from the Los Angeles County Metropolitan Transit Authority to upgrade, operate, and maintain CNG bus fueling facilities serving fleets deployed in the agency's Los Angeles Central and South Bay divisions.

L.A. Buys CNG School Buses The Los Angeles Unified School District has purchased 130 Saf-T-LinerHDX CNG school buses from Thomas Built Buses, a subsidiary of Daimler Trucks North America LLC. The new buses are powered by 8.9L Cummins ISL G engines.

CNGVC News

continued from page 2

that enhance the state's clean air, energy security, and global warming goals, while also fostering job creation and clean tech growth here in California."

Coalition Publishes New Fueling Station Directory The Coalition's *2010 Natural Gas Fueling Station Directory for California, Arizona and Nevada* is hot off the press.

The handy glove compartment-size directory provides locator maps, directions, addresses, phone numbers, hours, and payment information for 146 public-access stations. Download it [here](#) or request the print version via [e-mail](#).

Media Watch

Chrysler Pushes NGVs Chrysler executives continue to promote NGVs as a near-term environmental solution for the U.S. market, but have yet to announce vehicle availability.

Most recently, Paolo Ferrero, a former Fiat executive now in charge of Chrysler Powertrain, pointed out that Chrysler has access to a full line of CNG engines through its partner Fiat SpA, and they are ready for market here. "It is just a question of working with governments and others to implement," Ferrero said in a June 30 [Detroit News article](#).

Earlier, CEO Sergio Marchionne called NGVs "the most effective solution, in terms of costs and timing, to lessen this country's reliance on oil."

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