



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 was sponsored by the Coalition.

Status: Signed into law July 6.

AB 1507 | Author: Lieu

In brief: Requires CARB to revise guidelines by July 1, 2011, so that a project funded by the Carl Moyer Program or Prop. 1B could also receive federal or AB 118 funds without incurring a cost-effectiveness penalty, provided the project would reduce greenhouse gas as well as criteria pollutant emissions.

Details: Currently, federal or AB 118 grants focused on greenhouse gas reductions are factored into the cost-effectiveness calculation for criteria pollutant emissions when projects apply for Moyer or Prop. B funding. AB 1507 is sponsored by CALSTART.

Status: In Senate Appropriations Committee. Hearing scheduled for Aug. 2.

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.

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AB 32 Economists warn against delaying action
New Products GM slates CNG vans for fall delivery;
Navistar offers natural gas trucks; Westport-Volvo deal

AB 118 Investment Plan Nears Vote

Advisory Committee reviews revised 2010–2011 plan; natural gas funds shift to vehicles

The Advisory Committee for the 2010–2011 Alternative and Renewable Fuel and Vehicle Technology Program (AB 118) Investment Plan on July 16 reviewed a revised draft that allots \$22 million to natural gas vehicles and infrastructure, with the lion's share going to vehicles.

"It's \$2 million less than initially allocated, but it's better proportioned, with more money going to vehicles, less to station upgrades, and still a significant amount to biomethane development," says Coalition President Tim Carmichael.

The proposed allocations are \$13 million for light-, medium-, and heavy-duty vehicles; \$2 million for upgrades

to natural gas fueling stations; and \$7 million for biomethane production plants and quality testing. The plan gives NGVs the second-largest slice of the pie, behind electric vehicles. Total funding for 2010–2011 is about \$108 million.

"In response to greenhouse gas emission reduction targets, volatile petroleum prices, and air quality standards, the Energy Commission expects natural gas to play a significant role in the state's transportation sector," says the plan's executive summary. "A number of automakers, as part of their loans and grants from the ARRA [stimulus program], are expected to begin promoting light-duty natural gas vehicles. Additional opportunities remain for expanding the use of medium- and heavy-duty natural gas vehicles in ports and other applications."

CEC receives flood of proposals The summary also notes that the Alternative and Renewable Fuel and Vehicle Technology Program is "heavily oversubscribed," with the CEC receiving project proposals totaling over four times the available funding. "The resulting reductions in GHG and petroleum use are substantial, and the amount of leveraged public, stakeholder, and venture capital is unprecedented."

The July 16 meeting was the Advisory Committee's last. The CEC plans to post the final 2010–2011 Investment Plan July 28 and present it for adoption at the commission's Aug. 11 meeting. Assuming commissioners approve the plan, the CEC could begin issuing solicitations in the fall.

Get the revised Investment Plan [here](#). ▶

'The Energy Commission expects natural gas to play a significant role in the state's transportation sector.'

Top Economists Warn AB 32 Delay Would Be Costly More than 100 economists with expertise in energy and climate issues released an open letter July 19 warning against further delay in implementing California's clean energy policies. "Delaying action now will be more costly than initiating action now," the letter states. "Acting now is more likely to limit further environmental degradation, lower the cost of mitigation, and spur innovation in renewable energy and conservation technologies." The letter was organized by the Union of Concerned Scientists.

"Postponing the implementation of California's 2006 law, the Global Warming Solutions Act [AB 32], will make it more expensive in the end for California to clean up its air pollution," says Michael Hanemann, professor of agricultural and resource economics and co-director of UC Berkeley's Climate and Energy Policy Institute. "Any delay in implementing the law would benefit some special interests while imposing a greater burden on local governments.

"California's clean energy policies have us well positioned to lead—but not if we slow or stall them," Hanemann adds. "[They] make our workers and businesses more competitive while cleaning up pollution at the same time."

"AB 32 helps the process of weaning the economy off of fossil fuels, including oil," says Darwin Hall, professor of economics at California State University, Long Beach. "This will drive down prices of renewable energy as we gain economies of scale."

GM Slates CNG Vans for Fall Delivery General Motors will start delivering CNG-powered Chevrolet Express and GMC Savana full-size vans to fleet customers this fall.

The company announced in May that it would offer a CNG van option (*CalNGV News*, 5.31.10). The industry commitment to expanding the CNG infrastructure in key fleet markets was a key factor in GM introducing these options now, according to Brian Small, general manager of GM's fleet and commercial operations.

The vans are powered by GM's Vortec 6.0L V8 engine, which was modified to improve wear resistance and durability with gaseous fuel systems. The engines are assembled into the vans at GM's Wentzville, Missouri, plant. Productive Concepts (PCI), an alternative fuels conversion company, will integrate the CNG fuel delivery and storage system with the engine at its facility in Union City, Indiana. The vans will then be shipped directly to GM dealers or to specialty vehicle manufacturers to have commercial equipment added.

Navistar Offers Natural Gas Trucks Navistar is offering natural gas models of its International DuraStar and WorkStar medium- and heavy-duty trucks using a natural gas conversion kit developed by Emissions Solutions Inc. (ESI). The trucks are certified to 2010 emissions standards. Jim Hebe, Navistar's senior vice president, North American sales operations, says the trucks are a response to the utility industry's growing demand for very low-emission technologies. "The utility industry is very conscious about their public-facing environmental image," Hebe explains.

Westport Moves Forward on Engine Deal with Volvo Westport Innovations has signed an agreement outlining its role in developing biogas and natural gas engine products for Volvo Powertrain, with the goal of building an engine that will meet future emission requirements. Westport will work with Volvo to identify market development opportunities and assist in the build-out of biogas and natural gas infrastructure.

"We expect this will lead to a new generation of clean, low-emission engines from Volvo," says David Demers, CEO of Westport Innovations. Westport signed a partnership deal with Volvo in November 2009 (*CalNGV News*, 11.30.09).

In other Westport news, the EPA recently certified the Westport GX 2010 15L engine to the 2010 emissions standard.

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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 allowances for regulated entities.

Status: Held in Assembly Natural Resources Committee without recommendation.

SB 1120 | Author: Dutton

In brief: Prohibits CARB from launching a market-based mechanism that includes caps on GHG emissions and trading among participants unless it's 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.

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