



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 1507 | Author: Lieu

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

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

Status: Assembly concurred with Senate amendments Aug. 16. The bill is on the governor's desk.

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: Senate concurred with Assembly amendments. The bill is on the governor's desk.

SB 960 | Author: Dutton

In brief: Requires the Legislative Analyst to analyze major regulations adopted by CARB to determine their

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News Briefs Fuel Systems buys PCI; new link in ICTC opens; EPA, DOT draft GHG rules for heavy-duty trucks

CEC Approves 2010–11 AB 118 Plan Plan allots substantial funding to natural gas projects; vehicle funding breakdown is pending

The California Energy Commission approved the 2010–2011 Investment Plan for the Alternative and Renewable Fuel and Vehicle Technology Program (AB 118) at its Aug. 11 meeting.

The plan allots \$22 million to natural gas vehicles and infrastructure: \$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. NGVs get the second-largest slice of the pie, behind electric vehicles. Total funding for 2010–2011 is about \$108 million. (See *CalNGV News*, 7.26.10, for background.)

Coalition President Tim Carmichael, who sat on the Investment Plan Advisory Committee,

strongly encouraged commissioners to adopt the plan. "The CEC staff has done a good job of developing an investment portfolio that considers technical information and testimony from all participating stakeholders," he says. "They also made improvements to the plan development process, and the Advisory Committee will work with staff to continue improving the process as we develop the next investment plan."

"If there was one thing that everyone on the advisory committee agreed on," he adds, "it was that California needs to invest at least double the \$108 million per year that is currently available to this program. As Commissioner [Anthony] Eggert pointed out, that money is a drop in the bucket compared with the \$150 million Californians spend every day on transportation fuels."

From the Coalition perspective, Carmichael says, "We are very pleased that the CEC staff listened to our industry's request that more money be invested in vehicle incentives."

Send opinions on vehicle funding breakdown The CEC has not yet decided how to split the NGV funding between medium-/heavy-duty vehicles and light-duty vehicles. Readers with opinions on how much should go to each category and how much should be allowed per vehicle should [contact Carmichael](#) by the end of this month.

The next step is appropriating funds for the program in the state budget.

'If there was one thing that everyone ... agreed on, it was that California needs to invest at least double....'

Assuming that happens soon, the CEC expects to start issuing funding solicitations in the fall. Download the plan [here](#). ▶

Bill to Fix Moyer Program Issue Passes

The Legislature has passed AB 1507 (Lieu), which would eliminate the cost-effectiveness penalty charged to projects that apply for Carl Moyer Program funding and also receive federal or AB 118 grants to reduce greenhouse gas (GHG) emissions.

The Moyer Program, which provides grants for reducing criteria pollutant emissions, determines cost effectiveness using a formula based on the amount of emissions reduced and the public dollars contributed to achieve those reductions. Currently, federal or AB 118 grants focused on GHG reductions are factored into the cost-effectiveness calculation when projects apply for Moyer funding. That means the cost effectiveness of AFV projects for reducing criteria pollutant emissions is artificially lowered.

AB 1507, sponsored by CALSTART, requires CARB to revise guidelines by July 1, 2011, so that a project funded by the Moyer Program could also receive federal or AB 118 funds without incurring a cost-effectiveness penalty, provided the project would reduce GHG as well as criteria pollutant emissions.

Gov. Schwarzenegger last year vetoed a similar bill, AB 1527, which applied to Moyer Program and Prop. 1B funding. He said in his veto message that the bill was unnecessary because CARB already has the authority to revise program guidelines, and the bill would “detrimentally relax the cost-effectiveness calculations for [C]ARB’s existing emission reduction incentive programs.” (See *CalNGV News*, 10.19.09.)

CARB does have the authority to amend program guidelines—and did so to address the Prop. 1B cost-effectiveness problem earlier this year (*CalNGV News*, 4.19.10). The agency has determined, however, that it needs statutory authority to amend the Moyer Program guidelines in this way and has worked closely with CALSTART on the bill’s language.

“With CARB engaged in the process and no one in opposition, we are hopeful that this important bill will be signed into law,” says Jamie Hall, CALSTART’s policy director. Hall encourages NGV advocates to [write to the governor](#) in support of the bill and [copy Hall](#) for follow-up. ▶

news briefs

Fuel Systems Buys PCI Fuel Systems Solutions, which designs and manufactures alternative fuel components and systems, is purchasing Productive Concepts International (PCI). PCI is a specialized vehicle modification and value-added systems integrator for alternative fuel applications, including hybrid, CNG, propane, and dual-fuel diesel; General Motors recently tapped the company to supply CNG fueling systems for its Chevrolet Express and GMC Savana vans. The transaction value is expected to be \$11.1 million. PCI will operate as a subsidiary of IMPCO (a Fuel Systems Solutions subsidiary).

City of Commerce Opens Link in ICTC Development of the Interstate Clean Transportation Corridor (ICTC) recently got a boost when the City of Commerce opened an LNG/CNG fueling station. The station fuels the city’s CNG transit fleet, LNG port trucks, natural gas-powered refuse vehicles, and other private and municipal fleet vehicles. The facility, located at the intersection of interstates 5 and 710, opened Aug. 5.

EPA, DOT Draft GHG Rules for Heavy-Duty Trucks The EPA and the Dept. of Transportation sent proposals to the White House Office of Management and Budget that would cut GHG emissions from heavy trucks and buses for the first time. In a Rose Garden speech in May, President Obama called for new GHG emissions and mileage rules for medium- and heavy-duty trucks covering model years 2014–2018. (For details, see *CalNGV News*, 5.31.10.)

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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: 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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