



# CaINGV News

The newsletter of the California Natural Gas Vehicle Coalition

## Policy File

The CNGVC is tracking the following bills and others related to alternative fuels throughout the legislative session. Check this space in every issue for updates.

### AB 99 | Author: Feuer

**In brief:** Requires that by 2012, 50 percent of new passenger vehicles and light-duty trucks sold in California are clean alternative vehicles, and that by 2020, all are.

**Status:** Failed passage in Assembly Transportation Committee; reconsideration granted.

### AB 118 | Author: Núñez

**In brief:** Provides funding for alternative fuels research, development, and deployment to meet clean air and greenhouse gas reduction goals and ensure a reliable fuel supply.

**Status:** To Senate Appropriations Committee Suspense File.

### AB 236 | Author: Lieu

**In brief:** Requires every state office, agency, and department that has flex-fuel fleet vehicles to use the alternative fuel unless it is impossible to do so, and directs the Department of General Services to report on alternative and petroleum fuel consumption.

**Status:** In Senate Appropriations Committee.

### AB 493 | Author: Ruskin

**In brief:** Requires CARB to create a clean vehicle incentive program that would provide rebates to, and assess surcharges on, the purchasers of new motor vehicles based on the vehicles' greenhouse gas emissions.

**Status:** Failed passage in Assembly floor; reconsideration granted.

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**State AFVs** Lawmakers seek data on fuel use, locations  
**Biofuels Shine** dims under critical examination  
**News Briefs** Bill supports landfill projects; CARB OKs ISL G

## Appeals Court Upholds Fleet Rules

### Ruling affirms District Court decision that Clean Air Act doesn't preempt South Coast Rules

In a major victory for clean air and natural gas vehicles, the 9th U.S. Circuit Court of Appeals said Aug. 20 that the South Coast Air Quality Management District can require public fleets to purchase or contract for clean alternative fuel vehicles.

The decision validating the SCAQMD's fleet rules likely sets a precedent for state and local governments because it affirms the application of the "market participant doctrine" to the Clean Air Act. The doctrine holds that when government agencies make purchases or contract for services, those actions are not preempted by federal statutes. The ruling says the doctrine applies not only when agencies seek the best price, but also when they seek to further other goals, such as reducing air pollution.

The SCAQMD says the ruling "could significantly enhance cleanup efforts nationwide, including those at the ports of Los Angeles and Long Beach."

"This is great news for all residents of Southern California and especially for children, the elderly, and those with heart and lung disease who are hardest hit by the region's poor air quality," says SCAQMD Chair William Burke in an agency statement on the ruling. "We need these rules now more than ever to help us achieve strict federal air quality standards for particulate pollution by 2014."

Todd Campbell, director of public policy for Clean Energy, says the ruling is "a huge infusion for the industry and a confirmation for the SCAQMD that the fleet rules, particularly through using natural gas vehicles, are cleaning up the air significantly. Hopefully, we'll see other areas that are struggling with air pollution follow the air district's lead. The South Coast isn't alone with their problem."

**Rules Show Results Despite Long Battle** Though the Engine Manufacturers Association and Western States Petroleum Association have been fighting the rules in court since they were adopted in 2000 and 2001, the rules have largely remained in force. As a result, agencies in the region have added

**'Hopefully, we'll see other areas that are struggling with air pollution following the SCAQMD's lead.'**

about 6,000 new heavy-duty vehicles—mostly NGVs—to their fleets, many replacing the oldest, dirtiest diesel transit buses, trash trucks, shuttles, and street sweepers on the roads.

The EMA and WSPA now complain, the *Los Angeles Times* reports, that the rules will create a mix of standards that will be expensive to meet, and are outdated because they ban diesel, which has gotten cleaner.

But SCAQMD spokesman Sam Atwood noted in the Aug. 22 *Times* article that natural gas engines are “years ahead” of diesel technologies in meeting emissions standards. “If and when diesel engines are as clean as natural gas,” then agencies will no longer be banned from purchasing them, he said.

The U.S. District Court ruling under appeal did not address the issue of whether state and local entities can require private or federal fleets to purchase clean-fuel vehicles; the 9th Circuit Court remanded that portion of the suit back to the District Court for a decision. ▶

## Lawmakers Seek Data on State AFVs

Assembly member Ted Lieu has amended AB 236—which requires light-duty state fleet vehicles capable of using alternative fuels to be operated on those fuels unless it is impossible to do so, and directs the Department of General Services (DGS) to report on the vehicles’ alternative fuel and petroleum consumption—to also require DGS to report on the locations of the state’s alternative fuel vehicles and the alternative fuel stations that can serve them.

Lieu and others have renewed a push for greater state accountability following a July 8 *San Jose Mercury News* article and subsequent state Senate Governmental Organization Committee and Select Committee on Air Quality hearing on the state’s purchase of more than 1,100 E85-capable flex-fuel vehicles—without an E85 fueling infrastructure to supply them (*CalNGV News*, 7.30.07). The vehicles have been running on gasoline and, in some cases, emitting more pollutants than their predecessors, the newspaper reported, but DGS has been promoting the vehicles as an environmental success story.

Legislators hope that collecting data on vehicle and station locations will lead to better coordination and more alternative fuel consumption. DGS currently doesn’t know where the state’s alternative fuel vehicles are located because each agency keeps track of its own vehicles.

**State Fuel Use Reports Lack Key Data** The fuel consumption reporting requirement in AB 236 was the focus of last year’s AB 1357 (Ruskin), which was passed by the Legislature but vetoed by Gov. Arnold Schwarzenegger on the grounds that it duplicated reporting the state already does. The state reports only on how much alternative fuel the fleet uses, however, not on how much gasoline it uses.

In an Aug. 18 follow-up to its original article, the *Mercury News* estimated that if the state’s AFVs averaged 22 miles per gallon, the alternative fuel use reported would account for only about 6 percent of overall consumption, leaving the flex-fuel vehicles “far from being an environmentally friendly fleet that meets the state’s goal of ‘reducing dependence on fossil fuels.’”

A DGS spokesman told reporter Kimberly Kindy that total fuel consumption will be available through a new fleet-management computer system in about two years, but Lieu said that given DGS history on the issue, he didn’t want to rely on the department’s assurances. (DGS lobbied the governor to veto the Ruskin bill.)

DGS and the Schwarzenegger administration have also argued that the E85-capable vehicles will begin delivering on their promise when new fueling infrastructure opens over the next two years, but skeptics point out that bifuel CNG vehicles are running almost exclusively on gasoline, despite a well-developed natural gas fueling infrastructure.

The Coalition sent a letter supporting AB 236 to the Senate Appropriations Committee Aug. 20. The letter notes that “current law, which requires the use of alternative fuel in an alt fuel vehicle ‘to the maximum extent practicable,’

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### AB 631 | Author: Horton

**In brief:** Requires CARB to adopt regulations requiring that all new fueling stations constructed in the state be able to provide E85.

**Status:** In Assembly Transportation Committee; two-year bill.

### AB 712 | Author: de León

**In brief:** Imposes a 50-cent-per-ton “tip” fee at landfills, with revenue used to help operators of off-road equipment at landfills and composting facilities defray the cost of installing best-available emission reduction technologies. Sets aside up to \$4 million annually for projects demonstrating the commercial viability of producing transportation fuels from landfill gas.

**Status:** To Senate Appropriations Committee Suspense File.

### AB 746 | Author: Krekorian

**In brief:** Coalition-sponsored bill requires the California Public Utilities Commission (CPUC) to create policies and programs promoting the development and use of natural gas as a transportation fuel.

**Status:** In Senate Appropriations Committee.

### AB 1225 | Author: DeSaulnier

**In brief:** Requires the CEC, with CARB and the Department of General Services, to develop a way to evaluate the environmental and energy benefits and costs of motor vehicles for potential procurement by state and local governments.

**Status:** In Assembly Business and Professions Committee; two-year bill.

### SB 9 & 19 | Author: Lowenthal

**In brief:** Bills establish the selection process, criteria, and conditions for projects funded under the state’s \$20 billion transportation bond.

**Status:** SB 9 to Assembly Appropriations Committee Suspense File; SB 19 in Assembly Appropriations Committee.

### SB 210 | Author: Kehoe

**In brief:** Directs CARB to administer a program to reduce the carbon

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clearly is not effective. ... AB 236 is consistent with other efforts by the state to promote the use of alternative fuels, including the long-awaited and overdue AB 1007 report from the ARB and CEC on ways to promote alternative fuel use in the state.” ▶

## Biofuels Get Increasingly Critical Look

Following the path of every other silver bullet in the campaign to cut greenhouse gas and pollutant emissions, biofuels are taking on tarnish as organizations around the world give them a critical look.

Coalition President Mike Eaves reports that biofuels, as usual, generated plenty of discussion at the Aug. 21–24 Conference on Transportation and Energy Policy at Asilomar, “but I would say people are much more wary of pitfalls than they have been in previous years—they’re looking at side effects such as land-use patterns, pesticides, and water problems. I don’t get as rosy a picture of biofuels, especially corn ethanol, as I have in the past.”

That wariness follows a string of actions earlier this month. National Express, a major U.K. bus operator, suspended biofuel trials due to concerns about whether the benefits outweigh the risks to food crop sustainability. The operator said it would wait for second-generation biofuels made from non-food sources. The United Nations’ Food and Agriculture Organization (FAO) warned that the world risks deeper poverty and greater environmental damage unless it changes its bio-energy strategy. The FAO believes that biofuels could fuel sustainable growth and reduce hunger, but only if international trade policies promote production where it’s most advantageous and countries agree to a system of biofuel environmental standards.

And Dutch Crown Prince Willem-Alexander, who chairs the U.N. secretary-general’s advisory board on water and sanitation, warned at an international water conference in Stockholm that diverting water from food production to biofuels could lead to disaster; he noted that “the amount of water needed to produce the biofuels for a tank of an SUV equals the amount of water needed to feed one person on grains for a whole year.”

On top of these concerns, Eaves says it’s becoming clear to everyone that even looking at best-case scenarios for alternative fuels and advanced technologies, it’s going to be very difficult to meet ambitious greenhouse gas reduction goals in California or elsewhere in the desired time frame.

“What I’ve heard at Asilomar mirrors what we’re hearing out of EPA and DOE—that we have to have options other than biofuels,” Eaves says. “People are taking a big bite out of the reality sandwich.” ▶

### news briefs

**Coalition Supports Landfill Bill** The Coalition is urging state Senate support for AB 712 (de León), which creates a grant program to help operators of off-road equipment at landfills and other solid waste and composting facilities comply with the state’s new off-road rules recently adopted by CARB. The program, to be funded by a 50-cent-per-ton surcharge on solid waste disposed at landfills, also dedicates up to \$4 million annually to projects demonstrating the commercial viability of producing clean transportation fuels from municipal solid waste and recovered landfill gas.

“Many refuse trucks in California currently run on natural gas,” the Coalition notes in its Aug. 20 letter of support to the Senate Appropriations Committee. “Landfill gas offers an excellent opportunity to produce a renewable form of natural gas, called biogas, that can be used to fuel refuse trucks and other heavy-duty trucks and equipment. And because it is from a renewable source, biogas has extremely low greenhouse gas emissions on a life-cycle basis.”

**CARB Approves ISL G** Cummins Westport has received certification from CARB as well as the EPA for its ISL G heavy-duty natural gas engine, which is now officially the world’s cleanest commercially available heavy-duty engine.

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content of transportation fuels and create a low-carbon fuel standard applicable to refiners, blenders, producers, and importers. SB 210 also requires the CPUC to address how the state’s investor-owned utilities can contribute to greenhouse gas reductions in the transportation sector.

**Status:** To Assembly Appropriations Committee Suspense File.

### SB 494 | Author: Kehoe

**In brief:** Requires CARB to adopt regulations to ensure that an unspecified percentage of new passenger vehicles and light-duty trucks sold in the state each year are clean alternative fuel vehicles, and that starting Jan. 1, 2020, half of them are.

**Status:** In Assembly Transportation Committee; two-year bill.

### SB 876 | Author: Calderon

**In brief:** Requires CARB to consider economic impacts on small-business owners of vehicle replacement and retrofit rules when adopting in-use emission regulations for private heavy-duty fleet vehicles.

**Status:** In Senate Transportation and Housing Committee; two-year bill.

### SB 974 | Author: Lowenthal

**In brief:** Imposes a \$30 fee on shipping containers moving through the ports of Los Angeles, Long Beach, and Oakland, with revenues spent evenly on improving infrastructure and reducing air pollution.

**Status:** To Assembly Appropriations Committee Suspense File.

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