



California Natural Gas Vehicle Coalition

March 4, 2010

Ms. Barbara Van Gee, Manager
Goods Movement Programs Section
Planning and Technical Support Division
Air Resources Board
Via email - bvangee@arb.ca.gov

Re: Prop. 1B Concept Paper Proposal to Update Program Guidelines

Dear Ms. Van Gee,

The California Natural Gas Vehicle Coalition (CNGVC) is pleased to submit these comments on the proposed update to Proposition 1B (Goods Movement Emissions Reduction) Program Guidelines dated February 18, 2010. CNGVC appreciates the need to update these guidelines to improve effectiveness and meet more protective air quality standards. We are supportive of some of the changes proposed but we are very concerned that some of the changes do not maximize the benefit of these limited state funds and are inconsistent with other state policies and programs.

As general principles we believe the Air Resources Board should make the most of limited resources by using funding on projects that will: support MY 2010 emission standards and improve greenhouse gas emission performance; reward longer project life; serve as a pathway to even cleaner fuels and technologies in the future, and improve energy security.

Though our comments are brief we are very interested in this issue and strongly support both increased funding for clean alternative fuel vehicles and improving the effectiveness of the existing funding programs.

Co-Funding Cost Effectiveness Calculations

We are very supportive of the proposal to exclude funding for greenhouse gas emission reduction from sources other than Prop. 1B from the cost-effectiveness calculation for the project. As Prop 1B is focused on reducing emissions of NOx and PM, funds designed to reduce GHG emissions are not designed to reduce NOx or PM and therefore should not be counted in the cost of reducing those pollutants. To count GHG funds in the cost-effectiveness calculation would unfairly penalize projects by increasing their cost while resulting in little or no additional reductions of NOx or PM.

As we have noted in other comments we believe ARB should also use this approach in the implementation of the Carl Moyer Program. The Moyer statute, however, will need to be amended to exclude GHG funds from the calculation.

Competitive ranking

CNGVC also supports the proposal to allow all truck equipment project options (retrofit, repower, replacement and truck stop electrification) to compete against each other for funding, instead of prioritizing retrofits first.

Revisions to payment schedule for equipment project options

We are very supportive of increasing funding to “accelerate the deployment of trucks meeting MY 2010 emissions”. However, we do not think it makes sense to continue to spend money to replace and retrofit engines to meet MY 2007 emission standards. With MY 2010 engines reducing NOx emissions 80% below MY 2007 engines why not focus all of this funding on getting as many 2010 engines into service as possible. ARB is on the right track in proposing to reduce funding to meet MY 2007 standards but you aren’t going far enough.

We further believe that it is a mistake to allow projects that use family emission limits (FELs) to achieve MY 2010 emissions levels to receive funding from this program. At a minimum, this approach reduces the actual emission reductions that otherwise could be achieved from distributing these bond funds.

Do not eliminate the Port/Intermodal Category

CNGVC is very concerned that the proposal to combine the truck categories for future funding will certainly put the ports and the trucks that operate there at a disadvantage in competing for funding. We do not see how the drayage trucks running shorter haul routes will be able to compete with the long haul trucks under ARB’s cost effectiveness approach to evaluating projects. Cleaning up these short haul trucks should continue to be a priority for ARB as they operate in some of the most polluted communities in the state.

Consider GHG Reductions

As the Board and staff of ARB know well California must do much more to reduce greenhouse gas emissions. That is why we believe that GHG reductions should be considered in evaluating projects under this program to support the state’s AB 32 and low carbon fuel goals.

Keep it Simple

Though our members understand the concept and the desire to parlay limited funding to clean up as many trucks as possible we are concerned that "Three-way Truck Transaction" (Option F) is not practical. Some of our members have found this approach complicated and time consuming. With a deadline for executed contracts of June 30, 2010 time is very short. To get clean trucks on the road as soon as possible we encourage ARB to keep the program as simple and straightforward as possible.

Sincerely,

A handwritten signature in cursive script that reads "Tim Carmichael". The ink is dark and the signature is fluid, with a large initial 'T' and a long, sweeping 'C'.

Tim Carmichael
President