CARB Asks EPA to Reconsider Waiver

As expected, CARB has asked the newly designated EPA administrator to reconsider her predecessor’s denial of the Clean Air Act waiver California needs to enforce its vehicular greenhouse gas (GHG) emissions standards. A Jan. 21 letter from CARB Chair Mary Nichols to Lisa Jackson, EPA administrator-designate, says the agency should grant the waiver “in order to restore the interpretations and applications of the Clean Air Act to continue California’s long-standing leadership role in setting emission standards.”

Nichols’ letter asks for a decision right away, pointing out that previous hearings and extensive comment on the issue preclude the need for further hearings.

“We feel strongly that under its new leadership, EPA will recognize that the decision made by the former administrator to deny California the waiver to enforce our clean car law was flawed, factually and legally, in fundamental ways,” said Nichols in CARB’s announcement.

The regulations at issue were developed under AB 1493 (Pavley), the 2002 vehicular GHG emissions reduction law, and are a key element of California’s plan to reduce GHG emissions 30 percent by 2020. A waiver would free 13 other states that have adopted California’s regulation to also begin reducing GHG emissions from passenger vehicles.

Gov. Arnold Schwarzenegger also requested a waiver in a letter on the same day to President George Bush, expected to be confirmed as President Obama.

Conference Explores Policy Terrain

Target 2030 participants discuss regulatory concerns, what state needs to do to meet emissions goals

Speakers at CALSTART’s Target 2030: Solutions to Secure California’s Transportation and Energy Future conference agreed on several key principles: the government shouldn’t pick technology winners; policy must be clear and lasting; fuel lifecycle analyses are crucial; the time to act is now. It was clear from the discussion, however, that translating these principles into funding and regulatory decisions remains a work in progress.

The conference, held in Sacramento Jan. 14–15, drew regulatory agency staff and leaders, transportation fuel and technology companies, environmental organizations, legislators, and academic researchers. All participants said the government should set standards and let private industry compete. The phrase “there is no silver bullet” seemed to be on everyone’s lips. But the time horizons, assumptions about the optimal transportation mix 40 years from now, and preconceptions about fuels built into the Low Carbon Fuel Standard (LCFS) and AB 118 could make the playing field more level for some than for others.

That’s no surprise to NGV industry members who’ve been following the Coalition’s work in these arenas. But the conference provided plenty of confirmation that NGV advocates need to continue to make a strong case to the CEC and CARB to ensure that programs provide significant NGV opportunities.

The current CEC investment plan is likely to change, and there’s a strong push from some quarters to devote less money to low-carbon fuels (such as natural gas). Energy Commissioner Karen Douglas, a member of the transportation committee, said she has questions about where the state can have the greatest impact, and CARB is pushing the CEC to focus on 2050 goals. (The Coalition filed comments on the latest investment plan late Friday; see our next issue for details.)

A sampling of discussions related to key NGV industry issues:

Support for biomethane The Coalition is heavily focused on biomethane as a key tool in meeting 2020 and 2050 emissions goals, and that message is
getting out: Biomethane (and biofuels from waste material in general) was mentioned repeatedly as a fuel with strong potential. Dairy biomethane “may have the lowest carbon content of all,” CALSTART President and CEO John Boesel said in his opening remarks.

And landfill gas has “really interesting potential,” said Douglas in a presentation on investing AB 118 funds. “In the sustainability area, concerns I’ve heard [relate to] whether the profit incentive diverts waste from other areas such as recycling and composting,” she added, but “there are answers.”

**Goods Movement** NGVs figured prominently in a panel on goods movement moderated by state Sen. Alan Lowenthal.

Bill Van Amburg, CALSTART senior vice president, cautioned against thinking there’s only one solution, but said, “We’re huge supporters of natural gas. Look at the pathways. The natural gas pathway gives you near-term benefits and a long-term pathway—you can blend with biomethane or hydrogen. And let’s not lose sight of efficiency. … The logical conclusion in a lot of applications could be hybrid alt-fuel vehicles.”

“We need a much better mix of alt-fuel trucks to diesel trucks [at the ports],” said Tim Carmichael, senior policy director at the Coalition for Clean Air. “The ports stated a very good goal that 50 percent going forward would be alt fuels. But [in] the first couple of waves, it’s been more on the order of 10 percent. We need to do better than that.”

Michael Gallagher, Westport Innovations president and COO, noted that “We’ve invested tens of millions of dollars to get this capacity ready. We can deliver products that produce cleaner air and reduce greenhouse gases. We’re still waiting for the demand to ramp up. My plea is recognition that incentive programs are necessary.”

“Where I come from is, let’s get started—we can’t afford to wait 20 or 40 years for that perfect technology,” Gallagher continued. “We need a bridge to the future. The ports have a great plan; let’s implement it.”

Lowenthal was asked if he would reintroduce the container fee bill that Gov. Schwarzenegger vetoed last year. “I’m not going to go away,” he responded, but he said he wasn’t sure how he would address funding for port cleanup. “A container fee is going to be part of it, though I don’t want to be known as just the guy who does the container fees. I still believe we have to have the resources to make this successful.”

**Focusing Public Investment** Though they didn’t directly contradict each other, CARB and CEC representatives articulated somewhat different approaches in a roundtable discussion on focusing California’s public investment in clean transportation.

“AB 118’s primary purpose is to transform the market to meet the state’s climate change and air quality objectives,” said Michael Smith, CEC deputy director. “We’ve presented a plan that tries to balance the present and the future, with fuels that are ready now and looking to the horizon.”

James Goldstene, CARB executive officer, said CARB plans to use the AB 118 funds under its control to help meet 2020 goals, with the first year’s funds directed to a loan program to help truckers comply with the new diesel truck rule. “Of course we think it’s critical that the CEC focus on technologies to meet 2050 goals,” he said.

South Coast AQMD Executive Officer Barry Wallerstein made a point that resonated with the panel and the audience: investment decisions are about building trust. “We have a slug of money now, but how will we use it and build trust with the public and elected officials? Look no further than the financial bailout. We need to show production from these investments.”

CEC Vice Chair Jim Boyd returned to the topic in his closing comments. “Some people are concerned that what we do today is a waste because it won’t help us get to 2050,” he said. “If we don’t start changing people’s ways today they may [say] ‘forget about it’ by the time we get to some of the really exotic solutions.”

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Obama, saying, “Your administration has a unique opportunity to both support the pioneering leadership of these states and move America toward global leadership on addressing climate change.”

**Sweden Illustrates Biomethane Potential** Policy makers are increasingly aware of the opportunities for using renewable natural gas in the state, thanks partly to the Coalition’s education efforts, and recent market expansions in Sweden further illustrate the potential.

Expanded biogas production in Stockholm will boost the number of buses running on biogas from the current 80 to 500 in four years. An analysis by Storstockholms Lokaltrafik (SL), the company in charge of public transportation for the city and county, shows that biogas is the best fuel from both an environmental and economic perspective—and it’s also the most efficient.

**Waste Management Launches New CNG Fleet** Waste Management is launching a new CNG fleet in Seattle and building a fueling station at its South Seattle operations headquarters. The company is rolling out the new refuse trucks now, with 106 to be in service by March.

Within five years, the entire 180-vehicle fleet will be powered by CNG. Construction on the service station, which will be open to the public, is slated for completion in April.

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