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Docket Number:	17-ALT-01
Project Title:	2018-2019 Investment Plan Update for the Alternative and Renewable Fuel and Vehicle Technology Program
TN #:	223030
Document Title:	Comments from Clean Energy on ARFVTP Investment Plan Update
Description:	N/A
Filer:	System
Organization:	Clean Energy/Ryan Kenny
Submitter Role:	Public
Submission Date:	3/22/2018 5:01:18 PM
Docketed Date:	3/23/2018

Comment Received From: Ryan Kenny
Submitted On: 3/22/2018
Docket Number: 17-ALT-01

Comments from Clean Energy on ARFVTP Investment Plan Update

Additional submitted attachment is included below.

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The Honorable Robert Weisenmiller, Chair
California Energy Commission
1516 Ninth Street
Sacramento, CA 95814

March 22, 2018

Re: 2018-19 FY ARFVTP Investment Plan

Dear Chair Weisenmiller:

On behalf of Clean Energy, we would like to express concern for the 2018-2019 Investment Plan Update for the *Alternative and Renewable Fuel and Vehicle Technology Program (ARFVTP).*

As North America's largest provider of natural gas and renewable natural gas transportation fuel with over twenty years of leading industry experience, Clean Energy provides construction, operation and maintenance services for refueling stations nationwide. Headquartered in California, we have a deep understanding of the growing marketplace, and our portfolio includes 533 stations in 43 states, including a significant presence of 165 stations in California.

Already used as a clean, low carbon source of energy around the world, renewable natural gas (RNG) is abundant and proven to be a cost-saving alternative fuel to diesel and gasoline. RNG for transportation fuel strengthens our economy with lower fuel costs, increases our energy security, and significantly benefits our environment by reducing carbon emissions and smog-forming NOx emissions.

The *ARFVTP* program has in its history provided incentive funding for natural gas vehicles (NGVs), natural gas fueling stations and for infrastructure. It is imperative that the state, via the CEC and ARB, make it a high priority to use funds to incentivize heavy duty trucks to use low-NOx engines set at the 0.02 g/bhp-hr standard. Powered by conventional or renewable natural gas, or a blend of the two, greater environmental benefits will be achieved than with any electrified system for 1/5th to 1/10th the cost and far fewer operational and logistical challenges, as natural gas technology can be seamlessly integrated into large natural gas fleet operations such as drayage, goods movement, refuse, transit, and airport operations.

The removal in the *Plan* of $25 million for biogas and other biofuels, and instead calling for the $25 million to be backfilled by Greenhouse Gas Reduction Fund monies, goes against the intent and purpose of the *ARFVTP* program. Market certainty and strong signals from the state are vital so fleet owners can effectively plan their business operations. Furthermore, this is a funding decision built on quicksand, as GGRF is politically volatile and subject to numerous funding requests every year. The CEC cannot guarantee continued funding in future years based upon GGRF requests, especially with a new administration starting next year.

We urge the CEC to <u>not</u> proceed by cutting the $25 million for *ARFVTP,* and continue sending strong signals to the market that the program is valuable and working.

Sincerely,

Ryan Kenny
Senior Public Policy & Regulatory Affairs Advisor – Western U.S.
Clean Energy