

DOCKETED

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CNGVC Comments on 2019-2020 Investment Plan

Additional submitted attachment is included below.



California Natural
Gas Vehicle Coalition

November 21, 2018

California Energy Commission
1516 9th Street
Sacramento, CA 95815

RE: 2019-2020 ARFVTP Draft Investment Plan

Dear Commissioners and Staff,

On behalf of the California Natural Gas Vehicle Coalition, I would like to provide the following comments on the draft version of the *2019-2020 Draft Investment Plan* for the *Alternative and Renewable Fuel and Vehicle Technology Program (ARFVTP)*.

Who We Are

The California Natural Gas Vehicle Coalition represents the state's natural gas vehicle industry and includes major automobile manufacturers, utilities, heavy-duty engine manufacturers, fueling station providers, equipment manufacturers, and fleet users of natural gas vehicles. We are working together to advance natural gas as an alternative transportation fuel.

Legislative Intent Not Being Met

It was expressed in last year's *Investment Plan* that there was not any demand for heavy duty natural gas vehicles (NGVs) due to an anomaly of undersubscription from one \$1 million solicitation. That undersubscription was used as justification to zero-out incentives for NGVs for two consecutive funding years, including 2019-2020. We strongly believe staff and the California Energy Commission (CEC) came to a premature and erroneous conclusion, and that there would have been more caution demonstrated to not throw away a program that is providing real air quality benefits to Californians right now.

Frankly, there IS demand for these vehicles proven through the recent success of the \$16 million solicitation through the air districts. To put that into greater perspective, NGVIP began in October of 2015 and has provided incentives for approximately 980 NGVs over a 3-year period. Conversely, solicitation GFO-17-605 sent \$16 million to two air districts in April 2018 and just five months later, in September 2018, they funded 220 NGVs or roughly 22% of what the original program was able to fund! If the programmatic changes that we outlined in our 2017 letter would have been implemented how many NGVs could we have deployed?

The legislation that created and extended this program, AB 118 and AB 8, was supported by a broad coalition of organizations, companies and stakeholders because it was a fuel-neutral program that provided short-term *and* long-term assistance to fleets to help them choose cleaner alternative vehicles and fuel. By going away from that premise, CEC has ignored short-term reductions in dirty air.

Lastly, this program was also designed to be a complementary program to others in our regulatory environment, **not in lieu of.** Just because there are other programs doesn't release CEC from the legislative mandate to fix and continue this incentive program.

Recommendation: Request a meeting, between stakeholders and CEC commissioners and staff, before the next draft is released, on a plan to renew and fund *NGVIP* as long as the *ARFVTP* still exists. That plan should be included in the 2019-2020 *Investment Plan*.

NGVIP Waitlist Tops \$3 million

The current waitlist for the *NGVIP* is over \$3 million dollars, which equates to approximately 120 NGVs. The demand is clearly there. Those companies that have used time and resources to apply for grant funds to make a clean technology choice should not be punished but rewarded.

The CEC has invested millions of dollars, along with the industry, to create, develop and demonstrate the cleanest available engine for class 7 and 8 heavy duty vehicles. It does not make sense to pull the plug in the deployment stage. The CWI Near Zero 8.9L and 11.9L engines powered with renewable natural gas (RNG) can provide significant reduction in short-lived climate pollutants and GHG emissions in mobile sources right now.

Recommendation: Fund the wait list in 2019-2020 *Investment Plan*.

Legislation Passed that Supports NGVs and RNG

The Legislature has passed, and the Governor has signed into law, a plethora of bills that support and encourage the adoption of NGVs and creation of RNG projects. We were disappointed to not see a reference to these vital bills in the staff report, which only lists one bill from 2013. State policy is clear that it is going to need all its tools to meet its ambitious goals.

Recommendation: Add AB 2061 (Frazier), SB 1440 (Hueso), SB 1383 (Lara), SB 1403 (Lara), AB 1073 (Garcia, E), and AB 3187 (Grayson) to not just the NGV section/chapter but to the entire report where appropriate.

Balance Needed

In Chapter 4 of the draft *Investment Plan*, the CEC uses a biased report from the Union of Concerned Scientists (UCS) to further a false claim that there is a limited supply of biomethane. While UCS as an advocacy organization is welcome to publish whatever they would like, we hope that a more balanced and neutral approach would come from this government agency.

The working groups established from SB 1383 (Lara) will make recommendations next month on this very topic. They are a result from a diverse coalition of stakeholders that went through an extensive and transparent workshop process.

Recommendation: Delete the references to the UCS report from the *Investment Plan*. Include the recommendations from the SB 1383 Working Groups.

In conclusion, we would like to see some significant changes in how NGVs and RNG are discussed, included, and funded as a real tool to reducing dirty air in the heavy duty trucking sector. As a member of the Advisory Committee to the *ARFVTP*, I hope that our pragmatic recommendations above are not taken lightly.

Thank you for your time and consideration, please contact me if you have any questions at thomas@cngvc.org or at 888-538-7036.

Sincerely,



Thomas Lawson
President
California Natural Gas Vehicle Coalition

CC: Commissioner Janea Scott
Patrick Brecht
Tim Olsen