

DOCKETED

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August 9, 2019

California Energy Commission
Docket Unit, MS-4
Re: Docket No. 18-ALT-01
1516 Ninth Street
Sacramento, CA 95814-5512

Commissioner Monahan,

RE: Docket #18-ALT-01: Comments in support of the 2019-2020 Investment Plan Update for the Clean Transportation Program.

On behalf of Red and White Fleet, I write today to provide formal comments on the proposed 2019-2020 Investment Plan Update for the Clean Transportation Program. We greatly appreciate Energy Commission staff taking the time to host a public advisory committee meeting for the Investment Plan. We are excited by the inclusion of a \$30 million allocation for Medium- and Heavy-Duty Zero-Emission Vehicles and Infrastructure.

The Investment Plan document specifically names “forklifts and other cargo handlers” as having potential for emission reductions. We are encouraged to see off-road vehicles specifically included in the \$30 million Medium- and Heavy-Duty Zero-Emission Vehicles and Infrastructure allocation and would implore the Energy Commission to extend the solicitation eligibility beyond only forklifts and other cargo handlers.

At Red and White Fleet, we have taken the initiative as an early adopter of zero emission marine technology. Our newest vessel, the Enhydra, is a diesel-battery hybrid ferry boat with a 600-person capacity. We are excited to convert this vessel to 100 percent battery power but have, as of yet, been unable to secure funding for the needed charging infrastructure. We have developed a charging infrastructure project to achieve this which would, in addition to powering the Enhydra and future battery-powered Red and White Fleet vessels, power passenger vehicles and delivery trucks servicing the adjacent fish processing facilities as well. For this reason we are supportive of co-location of medium, heavy and light-duty charging infrastructure as a priority for the funding plan.

Additionally, we hope the Energy Commission can recognize the immense potential of commercial harbor craft like ferry boats can play in bridging the gap to zero emission adoption among ocean-going freight vessels. While we move people, not goods, the technology we are proving in the commercial harbor craft sector is directly transferable to the larger freight vessels polluting our air every day as well.¹ But, if we fail to prove that the infrastructure is buildable, we will also fail to prove the technology can work for these larger emitters.

The Advanced Renewable Fuel and Vehicle Technology Program (Clean Transportation Program), is funded by both vehicle and vessel fees. To-date, vessel registration fees have contributed approximately \$66.7 million to the fund according to the Department of Motor Vehicles. Investments from the fund to vessel related projects however, have totaled \$0 to-date. The authorizing legislation for the program (AB 118 & AB 8) contain the word "vessel" at 11 different locations within their respective language. We contend that this indicates legislative intent to invest money, collected partially from vessel fees, in vessel technologies and projects.

There was much discussion during the original creation of this program, AB 118 (2007) as to whether or not these new fees constituted taxes. The determination was made that they were not taxes and, thus enactable with a simple majority vote of the Legislature, because the fees would directly benefit the fee-payers contributing (i.e. both vehicle and vessel owners). However, to-date, this has not been the case. The Senate Committee on Appropriations commented in their analysis of AB 118 that, "using motor vehicle, boat, and operator fees for programs that do not directly benefit them could raise a question as to whether these additional fees are in fact taxes."² If the program continues to be administered through its sunset as a vehicle-only investment program, there are potentially detrimental legal implications of the lacking investment in vessel-related projects, which could be easily avoided by investing in the marine applications now.

Lastly, harbor craft pollution is a significant issue that has yet to become a major component of California's efforts to improve air quality. While other areas have seen significant investment, harbor craft investments have been, by comparison, minimal. For these reasons, we believe harbor craft emissions represent the proverbial 'low hanging fruit' and should be targeted heavily and immediately for zero emission technology investments and demonstrations.

We thank you for the opportunity to submit these written comments and feedback. Please keep Red and White Fleet in mind if we can provide any data, information or otherwise be helpful as you move forward with the 2019-2020 Investment Plan for the Clean Transportation Program or any other agency priorities.

¹ Minnehan, J. J., & Pratt, J. W. (2017). Practical Application Limits of Fuel Cells and Batteries for Zero Emission Vessels.

² Barcellona Ingenito, M. (2007). Senate Appropriations Committee Fiscal Summary Assembly Bill 118 (Nunez).

Finally, Red and White Fleet fully supports the transition in program naming from the Advanced Renewable Fuel and Vehicle Technology Program to the Clean Transportation Program.

You may contact our government relations representatives at Manticore Advocacy for any questions or concerns related to this letter. We thank the Energy Commission for this opportunity to comment on the 2019-2020 Investment Plan.

Sincerely,



Joe Burgard
President
Red and White Fleet