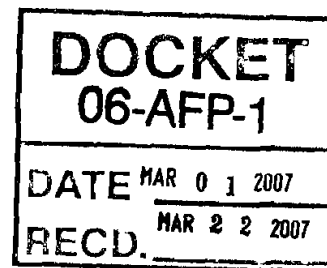




March 1, 2007

The Honorable James D. Boyd
Vice Chair and Presiding Member
Transportation Committee
California Energy Commission



The Honorable Jeffrey Byron
Commissioner and Associate Member
Transportation Committee
California Energy Commission

The Honorable Robert F. Sawyer, Ph.D.
Chairman
California Air Resources Board

David L. Modisette
Executive Director

Re: Comments for the Alternative Transportation Fuels Plan Full Fuel Cycle Analysis Workshop, March 2, 2007, Docket 06-AFP-1.

Julee Malinowski-Ball
Legislative Director

The California Electric Transportation Coalition (CalETC) is pleased to provide the following comments for the Alternative Transportation Fuels Plan Full Fuel Cycle Analysis Workshop, March 2, 2007, Draft Full Fuel Cycle Assessment Consultant Reports. CalETC is a non-profit business association with a Board of Directors representing: Southern California Edison Company, Sacramento Municipal Utility District, Pacific Gas & Electric Company, San Diego Gas & Electric Company, and the Los Angeles Department of Water and Power.

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1. CalETC requests additional time to provide comments on the Draft Consultant Reports. We request at least 15 additional working days, from the March 2 Workshop, to provide comments.

These reports have taken on much greater importance to our industry, and presumably to others as well, following the Governor's Executive Order on the development of a Low Carbon Fuel Standard (LCFS). We understand that the results, assumptions, and methodology in the Draft Full Fuel Cycle Assessment will likely be incorporated, either directly or indirectly, into the regulatory proceeding and structure for the LCFS. As such, the present analysis may affect credit levels and values under that regulatory structure, ultimately impacting business investment. In addition, it is possible that this work may inform policy decisions in several other state proceedings, including AB 32. In order to best serve utility stakeholders, including our customers, shareholders and the state of California, we feel it is important that our review of this information be as detailed and thorough as possible.

A non-profit association
promoting cleaner, healthier air
through the development and use of
zero-emission electric vehicles,
hybrid electric vehicles,
electric mass transit buses and rail.

We note that there have only been 10 working days provided so far to review two of the three reports, and for the third report there has been only 5 days of review time available.

2. Renewable Portfolio Standard (RPS) Does Not Appear to Have Been Correctly Modeled.

The Consultant Report uses a marginal analysis approach to assess emissions from the electricity sector to meet future demand from electric transportation and goods movement technologies. The marginal analysis assumes that all future marginal demand will be met with combined cycle natural gas and 20%-33% renewables from 2010 until 2030. Of course these are the years when California's Renewable Portfolio Standard takes effect, with a goal of 20% renewables by 2010 and 33% by 2020-30. Obviously, we are below these goals today, so in order to achieve these goals we will have to be constructing or procuring new renewable resources at levels above 20%-33% in future years in order to meet these goals. In other words in order to meet a system wide average generation goal of 20-33%, the marginal procurement of new renewable resources must be at higher percentages, in order to meet this target.

The Consultant Report does not take into account this higher percentage of marginal renewables during that time frame to meet the overall average requirement. The effect of this is that it underestimates and under-counts the marginal renewable resources which must be constructed or procured during this time period in order to meet the RPS requirements.

3. AB 1007 Final Report Should Include Consideration of Idling Reduction Using Electricity at Marine Ports, and in Place of Diesel Auxiliary Power Units (APU) on Trucks.

We were pleased to see Consultant Report on TTW is proposing to include some off-road technologies, including electric standby for transport refrigeration units (displacing diesel APUs usage), and forklifts.

But the analysis does overlook two off-road technologies that offer significant potential for reduction of GHG, criteria pollutants, and petroleum use. The first is marine port electrification (cold ironing), where ships would plug-in at dockside, and use electricity to meet hoteling loads rather than run the marine auxiliary engines (using distillate fuel). Since this technology has been recommended as part of the California Goods Movement Action Plan, and is part of an ARB regulatory proceeding, and has been embraced by many stakeholders, shouldn't this be included in the final AB 1007 Report? We have also offered to provide the technical analysis of this technology which is being done for us by technical experts.

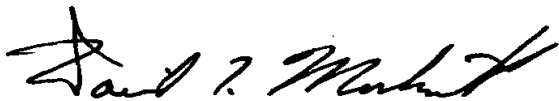
Second, the Consultant Report indicates that it will include alternatives to the use of diesel APUs used in transport refrigeration units, but not alternatives to diesel APUs on trucks for in-cab comfort (i.e. air conditioning, heating, electric appliances, etc). The logic behind this is not clear. Also of note in this area is that a large percentage of diesel APU systems are equipped with an electric inverter with plug-in capability making it possible to operate the cab comfort systems off the diesel

APU or from grid electricity. This essentially gives the truck dual fuel capability. And truck stop electrification can provide significant reduction in GHG, criteria pollutants, and diesel fuel use.

For these reasons we recommend that these two major off-road electric technologies be included in the analysis and in the final AB 1007 Report.

CalETC appreciates this opportunity to comment at this time, and we look forward to having additional time to provide more complete and thorough comments.

Sincerely,

A handwritten signature in black ink, appearing to read "David L. Modisette". The signature is fluid and cursive, with a large initial "D" and "M".

DAVID L. MODISETTE
Executive Director
California Electric Transportation Coalition
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Phone (916) 441-0702

Cc: Tim Olson
McKinley Addy
Mike Jackson
Stephan Unnasch