



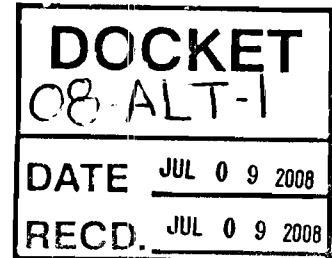
Alameda-Contra Costa Transit District

July 9, 2008

California Energy Commission
Advisory Committee
Alternative and Renewable Fuel and Vehicle Technology Program
1516 Ninth Street
Sacramento, CA

Re: AB 118 Draft Investment Plan

Members of The Committee:



I direct AC Transit's hydrogen fuel cell development program. Since 1999, we have been actively pursuing the development of fuel cell technology for urban transit fleet applications, making significant progress with our technology partners in pursuit of commercialization goals. Over the last eight years we have operated a variety of fuel cell demonstration vehicles, built two hydrogen fueling stations producing and dispensing more than 28,000 kilograms of hydrogen, and in March 2006, we unveiled three of the most advanced fuel cell hybrid buses in the world.

In the last two years, our fuel cell fleet has logged nearly 100,000 miles of service, carrying 200,000 people throughout East Bay communities smoothly and quietly, propelled by all-electric drive systems, all the while achieving between 70% and 100% better fuel economy than comparable diesel buses. The success of this initial demonstration has lead us to our next-generation bus designs and a greatly expanded program involving inter-operator agreements among the Bay Area's five largest transit operators. AC Transit is building 12 new buses featuring a significant reduction in weight by thousands of pounds, lower center of gravity, better drive-system integration, and enhanced performance. Our hydrogen fueling capacity will be increased from 150 kilograms of production daily to more than 420 kilograms, including a new, 100% renewable station exclusively serving light-duty vehicles. This latter project stems from a recently awarded CARB grant of \$2.7 million to expand the state's Hydrogen Highway network.

We have also partnered with UC Berkeley's Lawrence Hall of Science and Humboldt State University's Schatz energy Research Center to develop secondary school hydrogen curriculum for the schools in our service area, utilizing more than \$1 million of grant funding from U.S. DoE and AC Transit.

We have become a real-world "Center of Excellence," enabling technology providers to thoroughly test their systems under the harsh conditions of heavy-duty transit operations. We take pride in the fact that unlike the most sophisticated modeling in the world using the fastest super computers available, we capture all of the "variables." Transit has indeed played a critical role in accelerating the learning curve with respect to heavy-duty fuel cell technology, setting the stage for commercial readiness.

To put it mildly, AC Transit is bullish on fuel cells and believes that this technology holds considerable promise to improve city center air quality, reduce CO₂ emissions, and improve the overall quality of life in the communities we serve, as a result of amazingly quiet, highly efficient, zero-emission engines.



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But as optimistic as we are because of the advances we've made in our demonstration activities to date, further research and development is critical to bringing commercialization goals to fruition. More funding is needed to improve vehicle reliability and durability standards, reduce costs, and to expand infrastructure.

It's for this reason that AC Transit urges the Advisory Committee to consider the important role transit can and does play in achieving technology breakthroughs, while reaping the immediate benefits of cleaner air, quieter neighborhoods, and a more sustainable energy and environmental future.

The preliminary draft of your investment plan is an excellent first-step forward, but we believe our track record of performance warrants further commitment of additional resources in support of public transit advance technology initiatives. Clearly, we are a "heavy-duty Center of Excellence," and in support of that role, more funding is needed to expand demonstration programs among transit agencies, featuring more advanced design vehicles and expanded infrastructure.

Sincerely,

A handwritten signature in black ink, appearing to read 'Jaimie Levin'.

Jaimie Levin
Director of Alternative Fuels Policy