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## **Allocating AB118 Funds to Meet California's 2050 Climate Change Goals**

***Presented at***

***Second Advisory Committee Meeting for the  
Alternative and Renewable Fuel and Vehicle  
Technology Program***

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## Overall Approach

- Identified and explored qualitative approaches to distribute AB118 funding
- Recommended projects be separated and evaluated by **technology buckets**:  
1-vehicle efficiency improvements 2-blended biofuels  
3-nonrenewable alternative fuels 4-advanced vehicle technologies
- Determined **GHG reduction potential** of various fuel/engine combinations in both the light-duty and heavy-duty sector compared to a baseline technology.
- Two scenarios: **Unconstrained and Constrained**.  
The Constrained Scenario accounts for compliance with other State policies, rules, and regulations, and introduces plausible market constraints
- Considered **needs of each technology bucket**, broken down by:  
R&D, demonstration, vehicle deployment, and infrastructure
- Recommendations for **scoring projects** using the Evaluation Criteria (listed in AB118 legislation)

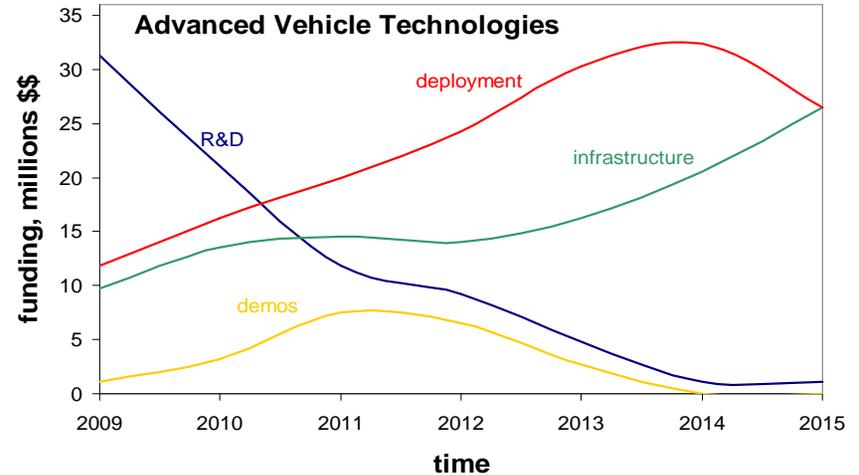
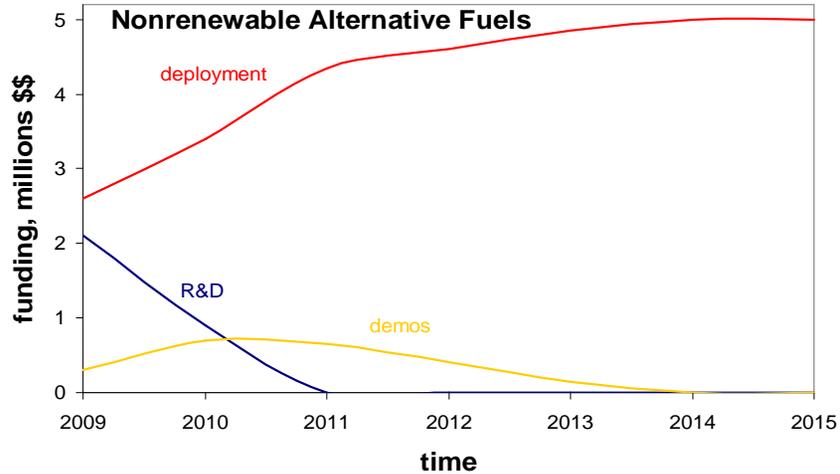
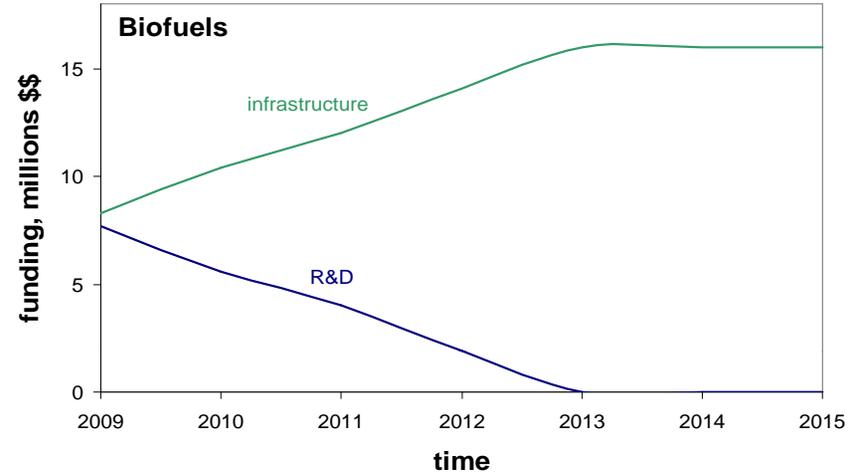
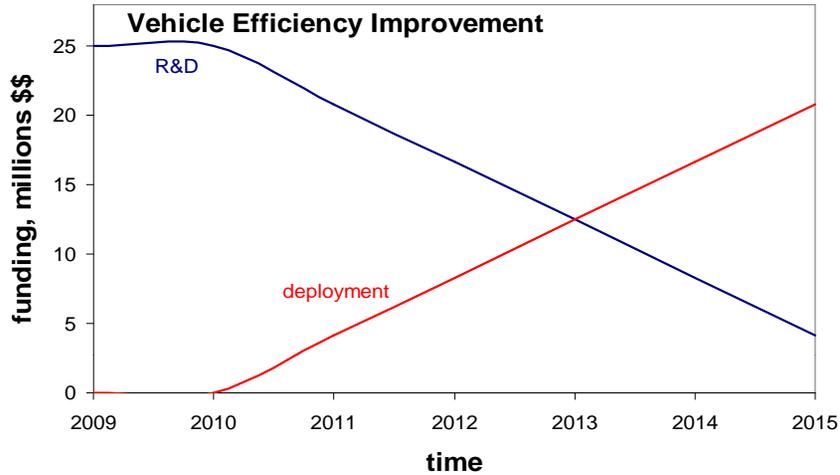
### Recommended Allocation based on GHG Reduction Potential

<b>Light Duty + Heavy Duty Buckets</b>	<b>Percent Allocation of AB 118 Funds Constrained</b>
Improved vehicle efficiency	25%
Blended biofuels	16%
Nonrenewable alternative fuels	5%
Advanced vehicle technologies	54%
<b>Total</b>	<b>100%</b>

Advanced technologies include on and off road, electric drive applications and include vehicle technologies such as battery electric, plug-in hybrids, and hydrogen fuel cells



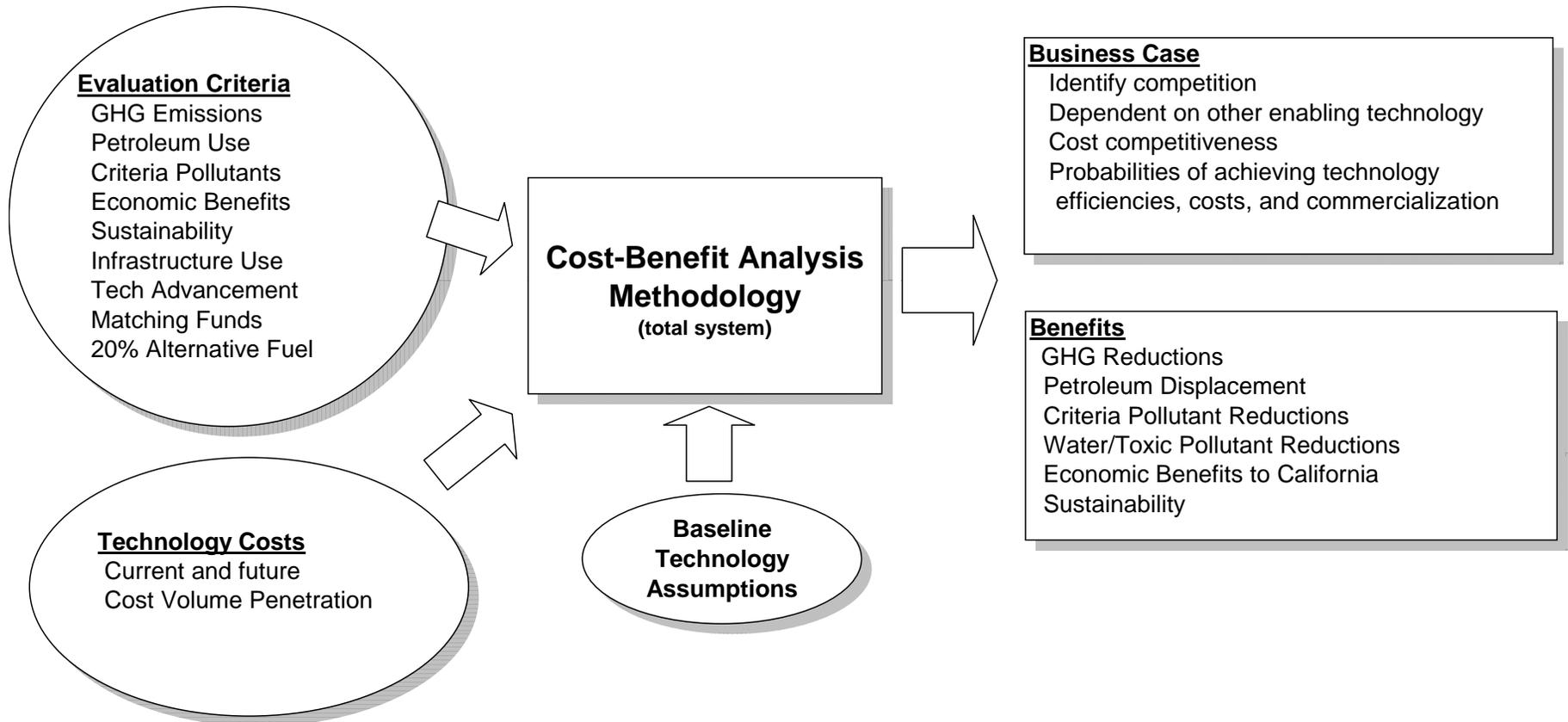
## Distribution of Funds by Areas of Need for Each Technology



**Gap Analysis:** The Energy Commission will need to review existing publicly or privately funded programs to avoid doubling current efforts



## Evaluation Process: Developing a Portfolio Approach



**Inputs** —————→ **Evaluation Process** —————→ **Scored Output**

## Developing an Investment Plan

- GHG reductions the right metric for allocating AB118 funding to like groupings of technologies
  - Vehicle efficiency improvements
  - Blended biofuels
  - Nonrenewable alternative fuels
  - Advanced vehicle technologies
- Need evaluation methodology to score proposals (such as component development, demonstrations, vehicle deployment)
- Adopt a portfolio approach to awarding proposals base on
  - Benefits
  - Business case
  - Risks