CITY OF LOS ANGELES

environmentLA Environmental Affairs Department

DETRICH B. ALLEN GENERAL MANAGER BETH JINES Asst. GENERAL MANAGER 200 N. SPRING ST. ROOM 2005 MS 177 LOS ANGELES, CA 90012 (213) 978-0840

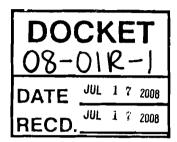


ENVIRONMENTAL AFFAIRS

MISTY SANFORD PRESIDENT ALINA BOKDE VICE- PRESIDENT MARIA ARMOUDIAN JOYCE M. PERKINS M. TERESA VILLEGAS

July 17, 2008 (via email, hard copy to follow)

California Energy Commission
Dockets Office, MS-4
Re: Docket No. 08-OIR-1
1516 Ninth Street
Sacramento, California 95814-5512



Subject: Questions on AB118 Grant Program, Committee Workshop – Docket No. 08-OIR-1

We have listened to the Air Resources Board and California Energy Commission workshops and reviewed the materials and have some questions on this grant program as it develops. In particular, we would like to know whether local government fleets will be eligible for this grant funding? Local government fleets in the South Coast Air Basin have been under regulation to purchase alternative fuel vehicles since 2001. These fleets have and continue to show a great deal of leadership, investing much staff time and monetary resources in developing alternative fuel vehicles that are now available to both public and private fleets. There is so much more work to be done at the local government level. As we experience daily budget challenges in this slowed economy, we are very interested to know more details on how local government fleets will be able to qualify for this funding. We are concerned that if the associated and proposed guidelines adopt criteria similar to the Moyer guidelines, local government fleets may not be eligible for alternative fuel vehicle funding under our heavily regulated environment. In addition, we are unclear as to whether and how proposed market incentives could be utilized by local government fleets to fund alternative fuel vehicle and other projects.

Thank you for addressing these questions, as they are very important to us. Please do not hesitate to contact me at (213) 978-0840 or Gretchen Hardison of my staff (213) 978-0852 for further discussion.

Sincerely,

Detrich B. Allen General Manager

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cc: Nancy Sutley
Deputy Mayor