

November 25, 2008

James D. Boyd  
Vice Chair and Presiding Member  
Transportation Committee

Karen Douglas  
Commissioner and Associate Member  
Transportation Committee

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

**RE: California Center for Sustainable Energy Proposal for  
Docket Number: 08-ALT-1 – AB118 Program**

Dear Vice Chairman Boyd & Commissioner Douglas:

<b>DOCKET</b> <b>08-ALT-1</b>
DATE <u>Nov 25 2008</u>
RECD. <u>Nov 25 2008</u>

The California Center for Sustainable Energy (CCSE) proposes a statewide alternative fuel vehicle incentive program for light and medium-duty vehicles as part of the AB118 implementation plan. CCSE currently administers the \$1,800,000 statewide CARB Alternative Fuel Vehicle Incentive Program known as Fueling Alternatives. \$1,620,000 is reserved for pass-through rebates for eligible vehicles purchased or leased from May 24, 2007 – March 31, 2009.

CCSE's proposed program objectives build on our success with the current program. They are:

- Develop and promote the use and acceptance of alternative fuel vehicles
- Reduce dependence on petroleum-based fuels
- Reduce greenhouse gas emissions

The key elements of the proposed program include the following:

**Develop a broad range of eligible vehicles.** The California Center for Sustainable Energy (CCSE) recommends that light and medium-duty vehicles eligible for rebates include new compressed natural gas, electric, plug-in hybrid, CNG hybrid, hydrogen fuel cell, and flex fuel vehicles. In addition, consideration should be given to incentives for conversion kits to retrofit vehicles.

**Allocate funds for marketing, education, and outreach.** Create appropriate elements and opportunities within the program for educating the private and public sector. The program budget should allow for the creation of complete, consistent messaging across the state including website and collateral development.

**Simplify/streamline application filing processes.** CCSE suggests that sustainable practices be introduced that allow for electronic submittal of applications. This strategy would eliminate paper intensive procedures and produce efficient program administration.

We also suggest releasing pass-through funding directly to the organization administering the program. This would result in cost-effective processing including development of a tracking procedure for monthly reporting.

**Allocate funds for RD&D.** A portion of the project funding should be reserved for research of carbon footprint and emission reductions. CCSE proposes a study of the impacts attributed to alternative fuel vehicles in the program and the vehicles being displaced. This study will require dedicated staff to perform the research. CCSE's current work can support this effort. Through in-kind support funds, CCSE is in the process of conducting a study associated with the CARB program. The research measures the changes to the carbon footprint and emission reductions attributed to vehicles displaced as a result of the Fueling Alternatives program.

As the administrator of a current statewide alternative fuel incentive program, CCSE has demonstrated the ability to efficiently manage a broad reaching, statewide incentive program. Fueling Alternatives was launched on February 22, 2008. Since that date CCSE has received over 740 applications and is processing rebates for 606 qualified vehicles. A total of \$1,549,686 of the \$1,620,000 rebate funding has been allocated to eligible applicants. The California Air Resources Board (CARB) has requested additional funds to keep the program active until the grant expires in March 2009.

Thank you for the opportunity to submit suggestions for the AB118 program. CCSE can provide further information as necessary. Should you have questions or need further information please contact me at (858) 244-1192 or email to [Irene.stillings@energycenter.org](mailto:Irene.stillings@energycenter.org).

Sincerely,



Irene M. Stillings  
Executive Director