Center for
Sustainable Energy
CALIFORNIA

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California Energy Commission
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Re: Docket No. 10-ALT-1
1516 Ninth Street
Sacramento, CA 95814-5512

Comments of the California Center for Sustainable Energy on Proposed Changes to 2011-2012 Draft *Investment Plan for the Alternative and Renewable Fuel and Vehicle Technology Program*

The California Center for Sustainable Energy ("CCSE") respectfully submits the following comments in response to the California Energy Commission's 2011-2012 Draft *Investment Plan for the Alternative and Renewable Fuel and Vehicle Technology Program.*

Executive Summary

As a result of its close work with medium and heavy duty vehicle fleet operators, local business leaders, the San Diego County Air Pollution Control District, and current operators of natural gas vehicle fleets in the San Diego region, CCSE strongly recommends incorporating a **Regional Natural Gas Planning Initiative** into the 2011-2012 Investment Plan. Implemented appropriately, a Planning Initiative would establish a sustained and coordinated outreach effort in order to overcome the significant barriers to natural gas vehicle adoption in medium and heavy duty vehicle fleets. Specifically, such an Initiative would operate on a regional level, targeting those fleets most suitable for natural gas vehicle deployment based on factors such as existing vehicle ages and operating costs, state-mandated criteria air pollutant reduction requirements, and vehicle duty-cycle specifications. Additionally, a regional Planning Initiative would promote coordinated, competitive, and timely natural gas fueling infrastructure development, enable the leveraging of existing state and federal incentives for natural gas vehicles, and provide on the ground resources to fleet operators unfamiliar with and wary of non-diesel vehicle technologies.

CCSE recommends launching a Regional Natural Gas Planning Initiative with a pilot project in the Otay Mesa border area in southeastern San Diego. The Otay Mesa region is a prime example of the importance for a coordinated approach to promoting natural gas vehicles and fueling infrastructure. Otay Mesa is a significant commercial transportation hub for goods movement in California and is also a major contributor of air pollution, resulting in both local and regional air quality impacts. Additionally, the region is both geographically isolated and home to unique cultural attributes due to the high number of bi-national companies and fleets operating in the area. These specific characteristics highlight the importance for a targeted and coordinated regional approach to promote natural gas vehicles.

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Summary of Regional Issues

Otay Mesa Border Traffic
The Otay Mesa region is the largest commercial land border port in California and is one of the busiest commercial land border crossings in the United States. There are approximately 700,000 commercial truck crossings at the Otay Mesa port of entry each year,[1] with some 1,500 medium and heavy duty trucks in the Otay Mesa Business Community providing goods movement, including food manufacturing, wholesale distribution, and warehousing and storage.[2] The high level of traffic in the region stems largely from the Tijuana/San Diego Maquildora economic infrastructure zone, which creates this large demand for goods movement relating to manufacturing and logistics.

Emission Profile
The vast majority of the freight traffic at Otay Mesa is comprised of diesel-powered drayage and goods movement vehicles.[3] Trips across the border from CA-registered trucks are minimal in terms of mileage but generate significant pollution due to extended idling and long border crossing wait times. Idling alone in this region accounts for 11,000 tons of CO2, 4 tons of PM and 152 tons of NOx.[4] Further, the California Air Resources Board (ARB) is seeing an increase in dual-plated (CA and Mexican registered) trucks traveling from the Otay Mesa region north along the I-15 and I-5 corridors to San Bernardino, Riverside, Orange, and Los Angeles counties.[5] As a result, diesel emissions from the Otay Mesa vehicle fleet significantly impact air basins throughout southern California and, in some cases, beyond.

Shortcomings of Existing Incentive Programs
While incentive programs to promote clean technologies are available in the region, there has been a low level of interest by regional fleets in alternative fuel vehicles. To date, incentive funds have primarily been used for upgrades to cleaner diesel technologies rather than adoption of alternative fuels such as natural gas. Extensive outreach efforts to fleets in the Otay Mesa region by CCSE and the San Diego Clean Fuels Coalition, a U.S. DOE Clean Cities organization, have highlighted three primary barriers that currently inhibit the adoption of alternative fuel vehicles among the region's 1,500 medium and heavy duty vehicles:

- Apprehension toward non-diesel technologies, including concerns over reliability, maintenance, parts and servicing, and the potential effects on fleet and vehicle owners to meet strict operational demands
- Lack of competitive and timely fueling infrastructure development and access, especially for smaller fleets with lower volume fuel usage

[1] http://www.sandag.org/uploads/meetingid/meetingid_2773_11968.pdf
[2] Otay Mesa Chamber of Commerce
[3] Ross and Associates April 2009 Report prepared for U.S. EPA on Anti-Idling/U.S Ports of Entry
[4] Ibid.
[5] Damacio Arevalos, Field Supervisor Border Region, CA Air Resources Board, March 2011.

- Uncertainty regarding patchwork of state and regional incentives to address the high incremental cost of alternative fuel vehicles over conventional vehicles, and how these incentives relate to regulatory mandates for pollutant emission reductions.

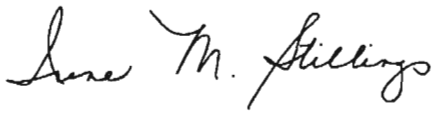
Conclusion

CCSE has been working in the Otay Mesa region with multiple partners and has conducted extensive outreach efforts to fleets in this area. As a result of this effort, CCSE recommends implementing a Regional Natural Gas Planning Initiative pilot project within the Otay Mesa region to serve as both a proof of concept and as a blueprint for similar regional outreach strategies across the state.

CCSE firmly believes that the successful adoption of natural gas vehicles in California will require a combination of vehicle and infrastructure incentives along with robust outreach and education efforts to promote alternative fuel technologies. Consequently, CCSE would like to see the Energy Commission include funding for a Regional Natural Gas Planning Initiative in the 2011-2012 Investment Plan for the Alternative and Renewable Fuel and Vehicle Technology Program.

CCSE appreciates the opportunity to provide this feedback and welcomes comments and further discussion on our recommendations.

Sincerely,



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