



June 3, 2011

California Energy Commission
Dockets Office, MS-4
Re: Docket No. 10-ALT-1
1516 Ninth Street
Sacramento, CA 95814-5512

DOCKET

10-ALT-01

DATE June 03 2011

RECD. June 03 2011

**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 in the San Diego region, CCSE strongly recommends incorporating **Regional Planning Initiatives to accelerate the adoption of alternative fuel vehicles in medium and heavy duty fleets** into the 2011-2012 Investment Plan. Implemented appropriately, these initiatives would facilitate the adoption of alternative fuel and advanced technology vehicles via regionally targeted coordination and outreach efforts. The objectives of this initiative would be: (a) the development of technology and vendor neutral, fleet-specific assessment, planning, and implementation programs for alternative fuel and advanced technology vehicle adoption; (b) optimize leveraging of existing and future vehicle incentives and infrastructure investments to meet targeted environmental metrics and adoption goals; and (c) the integration of local planning with broader regions and with statewide efforts to accelerate technology deployment and reduce GHG and criteria air pollutant emissions.

Problem Statement

Medium and heavy duty vehicles account for a disproportionate share of criteria air pollutant emissions and are a major contributor of GHG emissions. Extensive outreach efforts by CCSE to fleets in the Otay Mesa region, the largest commercial land border port in California, have highlighted several barriers that currently inhibit the adoption of alternative fuel and advanced technologies among the region's 1,500 medium and heavy duty vehicles, including:

- Apprehension about reliability and operating costs of non-diesel technologies, including maintenance, parts, servicing and vehicle downtime during repairs.
- Lack of access to competitive fueling infrastructure, locally and regionally -- especially for small to medium size fleets involved in goods movement.

- Confusion over the patchwork of state and regional incentives addressing the incremental cost of alternative fuel vehicles and how these incentives relate to regulatory mandates for pollutant emission reductions.
- Funding-driven solicitation and outreach efforts are not sufficient -- incentive cycles don't always coincide with fleet purchase decisions and fleets don't have a single source of information to learn about multiple funding options.

Recommended Solutions

Widespread alternative fuel and advanced technology vehicle adoption by medium and heavy duty vehicle owners is dependent on addressing multiple barriers in a coordinated fashion. To overcome these issues, CCSE proposes the following:

- **Develop a technology neutral approach.** Establish sustained and coordinated regional outreach efforts that include all suitable technologies, including natural gas, hybrid-electric, electric and propane fuel technologies, in order to allow fleet and vehicle owners to optimally match fuel and vehicle technologies to duty cycle, weight class and available infrastructure requirements that directly impact capital investment decisions.
- **Engage diverse stakeholders.** Identify gaps in infrastructure and alternative fuel vehicle incentives through collaboration with fleets, alternative fueling infrastructure providers, regional and county partners, vehicle manufacturers and dealers. Partner with existing green corridor efforts to leverage investments and link regional requirements to statewide programs.
- **Increase confidence in alternative fuel viability.** Work directly with OEMs and dealers to develop options for extended warranties, vehicle maintenance and loaner programs that will mitigate concerns about alternative fuel and advanced vehicle technologies. Ensure access to a locally-trained vehicle maintenance workforce through technical training program development.
- **Outreach efforts should include multiple touchpoints across stakeholder groups.** Successful adoption of alternative fuel vehicle depends on a multi-faceted, sustained approach to outreach and education. A "one workshop" or "one funding cycle" approach is not sufficient to promote alternative fuel vehicle technologies and spur adoption.

Proposed Regional Planning Initiative Components

CCSE envisions a Regional Planning Initiative for medium and heavy duty vehicles to occur in three phases. Each of these phases is described in more detail below, including the desired outcomes upon completion of each step.

Phase 1: Diagnosis, Evaluation and Planning

Recommended Tasks and Deliverables:

- Create needs assessment and detailed fleet surveys
- Determine best practices by collaborating with dealers, OEMs, fuel providers, regional planning groups, industry associations and green corridor stakeholders
- Develop infrastructure requirements including fuel and workforce development

Results: Metrics-based plan to determine most efficient use of funds and maximize regional GHG/criteria pollutants.

Phase 2: Outreach and Workforce Development

Recommended Tasks and Deliverables:

- Alternative Fuel/Vehicle Outreach
- Access to information from early adopter fleets
- Linkages with regional planning experts, agencies, advocacy groups
- Website and other outreach development
- Vehicle Maintenance and Safety Training Programs

Results: Establish a sustained outreach platform and trusted source of technology neutral information.

Phase 3: Technical Assistance & Incentives

Recommended Tasks and Deliverables:

- Maintain and publish database of existing incentives (e.g. State, Federal and/or dealer-based)
- Facilitate applications for vehicle incentives
- Connect fleets to OEMs and dealers
- Point of contact for medium and heavy duty regional infrastructure requirements

Results: Increased alternative fuel vehicle adoption.

Conclusion

In order to overcome the barriers mentioned above, each must be addressed in a sustained and coordinated fashion, which we argue can best be accomplished through multi-stakeholder, regionally targeted planning efforts. Therefore, CCSE strongly encourages the funding of Regional Planning Initiatives for medium and heavy duty fleets in order to facilitate the adoption of alternative fuel and advanced technology vehicles.

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

Sincerely,



Irene Stillings

Executive Director
California Center for Sustainable Energy
8690 Balboa Ave., Suite 100
San Diego, CA 92123
Tel: (858) 244-1192
Fax: (858) 244-1178