

Docket Optical System - Draft 2011 IEPR docket number 11-IEP-1A**DOCKET****11-IEP-1A**

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To: <JWilliam@energy.state.ca.us>, <Lesterno@energy.state.ca.us>, <docket@energy.state.ca.us>
Date: 12/22/2011 8:43 PM
Subject: Draft 2011 IEPR docket number 11-IEP-1A
CC: "Alan C. Lloyd, PhD" <alloyd@theicct.org>, Chuck Shulock <cshulock@me.com>, Kate Blumberg <kate@theicct.org>, Ed Pike <ed@theicct.org>

Dear Ms. Esternon-Green:

Thank you for the opportunity to comment on the CEC's draft 2011 IEPR. My four comments are limited to advanced vehicle technology development and the section "Estimated Petroleum, GHG, and Air Pollution Reduction Benefits from ARFVT Program Investments".

First, this section will serve a valuable purpose by providing information on the benefits of these investments. The report should acknowledge the benefits towards meeting the state's 2050 GHG reduction goals, in addition to the nearer term benefits that are correctly acknowledged in the current draft. California will need to transition to almost entirely advanced technology vehicles by 2050. See page ES-1 of the Staff Report for CARBs Zero Emission Vehicle Program regulations" at <http://www.arb.ca.gov/regact/2012/zev2012/zevisor.pdf>.

Second, the report correctly notes the need for hydrogen fueling infrastructure and the important initial investments flowing through the CEC. This early support is critical for the initial FCEV deployments. Further challenges still remain in reaching deployment rates of H2 stations adequate for FCEV deployments at commercial scale, which will be needed prior to the point when H2 station owners are likely to achieve financial payback. For instance see CARB's staff report for the Clean Fuels Outlet (page 16) (<http://www.arb.ca.gov/regact/2012/cfo2012/cfoisor.pdf>). Thus, it would be more helpful to state that the Energy Commission's investments "provide critical early support for a rise in vehicle populations" rather than "help ensure a rise in vehicle populations" to the point of a self-sustaining market (p161 of draft IEPR) to avoid any misunderstanding that this essential early support for H2 stations is sufficient on its own.

Third, the report correctly notes that uncertainty will continue regarding market dynamics for vehicles and fuels. However the reference to evolving state regulations may be superseded (at least for vehicles) once CARB adopts a package of vehicle and clean fuels revised regulations at the end of January 2011, which should provide a strong continuing regulatory signal in favor of development of advanced technology vehicles.

Forth, you may wish refer to the recent Next 10 report on economic and job development benefits of electric vehicles. While these benefits are not due solely to CEC investments, they show that even now these advanced technologies supported by the CEC are yielding economic and job benefits for California. http://next10.org/next10/publications/vehicle_efficiency.html

If you have any questions regarding these comments, please feel free to contact me at ed@theicct.org or (415) 202-5753.

Cordially,

Original signed by

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