



Natural Gas Vehicles for America

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February 24, 2012

Carla Peterman
Commissioner
California Energy Commission
1516 Ninth Street
Sacramento, CA 95814-5512

DOCKET	
11-ALT-1	
DATE	FEB 24 2012
RECD.	FEB 24 2012

RE: Docket No. 11-ALT-1; Draft 2012-2013 Investment Plan for the ARFVT Program

Dear Commissioner Peterman:

NGVAmerica respectfully offers the following comments in regards to the California Energy Commission's (CEC's) Draft 2012-2013 Investment Plan for the Alternative and Renewable Fuel and Vehicle Technology Program (ARFVT) Program.

NGVAmerica is a national organization dedicated to the development of a growing and sustainable market for vehicles powered by natural gas and biomethane. NGVAmerica represents more than 140 companies, including: vehicle manufacturers; natural gas vehicle component manufacturers; natural gas distribution, transmission, and production companies; natural gas development organizations; environmental and non-profit advocacy organizations; state and local government agencies; and fleet operators.

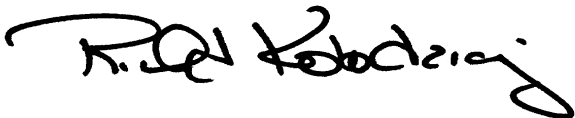
NGVAmerica wishes to acknowledge the significant leadership that CEC has given to the alternative fuels industry and natural gas vehicles. Without the leadership, direction and funding that CEC has provided over the years, NGVs would not be as well positioned as they are today. After many years of slow but steady effort, it appears that natural gas vehicles are finally ready for accelerated market penetration. Trucks and bus manufacturer, light-duty OEMs, major trucking operators and other national fleets, are now ramping up their plans for NGVs. Every day there are new reports of major commitments to NGVs such as large purchase orders, fueling

infrastructure partnerships with major truck stop operators, and more and more offerings from vehicle manufacturers.

The reason that we are commenting on the ARFVT Program is that a number of our members have raised concerns about potential changes in the funding for renewable natural gas (biomethane) projects. NGV America believes that renewable natural gas projects should continue to be supported by our industry and government policy makers. We support renewable natural gas projects because they strengthen the positive supply outlook for natural gas and deliver substantial environmental benefits. Renewable natural gas projects provide customers the ability to optimize the already superior environmental benefits provided by conventional natural gas.

It is our understanding the CEC is contemplating a change in its funding programs that could jeopardize the viability of renewable natural gas projects. Under this change, businesses or operators who voluntarily opt into certain regulatory program would no longer be able to take full advantage of the credits or monetary benefits provide by such programs. NGV America and its members believe that these other programs and the ability to participate in them and earn credits are critical to the continued viability of renewable natural gas projects. Therefore, we urge CEC to take appropriate steps to ensure the continued viability of such projects. Specifically, CEC should clarify that AB 118 grantees that *voluntarily* generate tradable credits through programs such as the Low-Carbon Fuel Standard, the federal Renewable Fuel Standard, and other environmental programs/efforts, and who are *not* mandated regulated parties by these programs, should continue to be eligible to secure the full value of any such credits that they generate.

Sincerely,



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