

April 25, 2012

California Energy Commission
Dockets Office, MS-4
Re: Docket No. 11-ALT-01
1516 Ninth Street
Sacramento, CA 95814-5512
Via: docket@energy.ca.gov

DOCKET**11-ALT-1**DATE APR 25 2012RECD. APR 26 2012

Re: 2012-13 Investment Plan Update for the Alternative and Renewable Fuel
and Vehicle Technology (AB 118) Program [Docket Number 11-ALT-01]

This letter provides comments on the latest version of the 2012-13 AB 118 Investment Plan Update presented at the April 19, 2012 Advisory Committee meeting. The Energy Commission staff continues to perform admirably in leveraging AB 118 funds to make California's fuels and vehicles cleaner and to address climate change.

Overall, the investment plan update does an excellent job of balancing near-term and long-term goals, established and emerging technologies, and filling private funding gaps with attracting private investment. In particular, the investment plan update's emphasis on electric and hydrogen fuel cell infrastructure is commensurate with consumer interest and complementary investment and planning throughout the state. It is reasonable and appropriate that the plan funds these technologies at a higher level than E85 or natural gas. Although E85 is cost-effective on an energy basis in regions close to ethanol production, E85 pricing is not competitive in California, and as mentioned in the report, the relative attractiveness of E85 is decreasing, rather than increasing. Low natural gas prices have made natural gas vehicles and infrastructure already quite attractive in the commercial sector for fleets, and such conversions are occurring without government incentives. The infrastructure investments for electric drive and hydrogen fuel cell infrastructure complement nicely the ARB's Advanced Clean Cars regulations that will increase the number of vehicles in California that use these alternatives and provide ongoing infrastructure mandates for hydrogen fueling.

In addition, Consumers Union is happy to see the plan update's investment in "Regional Alternative Fuel Readiness and Planning." Successful and sustainable growth of alternative fuel infrastructure relies heavily on tailoring solutions to local regions' needs. Providing such assistance to regions is money well-spent, as it enables them to analyze demographic and transportation data and then develop plans to best serve the development patterns and driving habits of residents and

businesses. This investment will decrease duplication and stranded costs and help target alternative fuel development where it will have the most impact.

Thank you for your consideration of Consumers Union's comments and your continuing hard work to bring cleaner fuels and cleaner vehicles to California.

Sincerely,

Shannon Baker-Branstetter
Policy Counsel, Consumers Union