



Air Resources Board



Linda S. Adams
Secretary for
Environmental Protection

Mary D. Nichols, Chairman
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Sacramento, California 95812 • www.arb.ca.gov

Arnold Schwarzenegger
Governor

California Energy Commission

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June 17, 2010

The Honorable Denise Moreno Ducheny, Chair
Budget Conference Committee
State Capitol, Room 5035
Sacramento, California 95814

Dear Senator Ducheny:

I am writing to express my strong support for the California Energy Commission's (CEC) AB 118 Alternative and Renewable Fuel and Vehicle Technology Program (ARFVTP).

AB 118 was signed into law in 2008 to provide critically needed funds to advance alternative and renewable fuels and advanced transportation technologies. The funds authorized by AB 118 will help bring about advanced low carbon fuels, alternative-fueled vehicles, and hybrid electric vehicles—all needed to help achieve AB 32 climate change goals. Furthermore, this program offers pathways to diversify California's transportation fuels and vehicles, maintain California jobs and reduce our dependence on imported petroleum. AB 118 required the CEC to prepare and adopt an Investment Plan for ARFVTP to determine the funding priorities and opportunities and describe how program funding will be used to complement other public and private investments. The adopted Investment Plan contains specific recommendations for expending \$176 million appropriated for the first two years of the Program (fiscal years 2008-09 and 2009-10).

The CEC's California Ethanol Producers Incentive Program (CPIP) is an example of thoughtful AB118 implementation. Low carbon California produced fuel will play a critical role in the success of the State's low carbon fuel standard. These corn facilities rank as the lowest carbon producers in the nation from that feedstock and the AB 118 CPIP provides incentives to help lower the carbon score even more and to introduce other lower carbon feedstocks. In addition, it is not a grant; the program is structured so that the recipients repay the fund.

The energy challenge facing California is real. Every Californian needs to take immediate action to reduce energy consumption. For a list of simple ways you can reduce demand and cut your energy costs, see our website: <http://www.arb.ca.gov>.

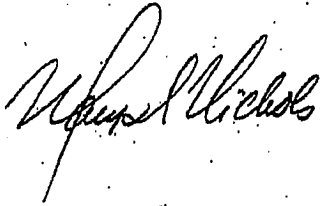
California Environmental Protection Agency

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I hope this is helpful to you in your decision on this matter. If you have further questions or concerns, please do not hesitate to contact me at (916) 322-5840 or Mr. Robert Oglesby, Legislative Director, Office of Legislative Affairs, at (916) 322-8520 or by e-mail at roglesby@arb.ca.gov.

Sincerely,



Mary D. Nichols
Chairman

cc: Mr. Robert P. Oglesby
Legislative Director

The Honorable Bob Blumenfield, Vice Chair
Budget Conference Committee
State Capitol, Room 6026
Sacramento, California 95814

The Honorable Bob Dutton, Member
Budget Conference Committee
State Capitol, Room 5094
Sacramento, California 95814

The Honorable Bob Huff, Member
Budget Conference Committee
State Capitol, Room 3048
Sacramento, California 95814

The Honorable Mark Leno, Member
Budget Conference Committee
State Capitol, Room 4061
Sacramento, California 95814

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(cc's continued)

The Honorable Alan S. Lowenthal, Member
Senate Budget Subcommittee No. 2
State Capitol, Room 2032
Sacramento, California 95814

The Honorable Connie Conway, Member
Budget Conference Committee
State Capitol, Room 6027
Sacramento, California 95814

The Honorable Felipe Fuentes, Member
Budget Conference Committee
State Capitol, Room 2114
Sacramento, California 95814

The Honorable Jim Nielsen, Member
Budget Conference Committee
State Capitol, Room 6031
Sacramento, California 95814

The Honorable Nancy Skinner, Member
Budget Conference Committee
State Capitol, Room 4126
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