



California Natural Gas Vehicle Coalition

California Energy Commission
DOCKETED
13-ALT-02
TN 72344
NOV. 15 2013

November 14, 2013

Commissioner Janea Scott
California Energy Commission
Re: Docket No. 13-ALT-02
1516 Ninth Street
Sacramento, CA 95814-5512

Re: Draft 2014-15 Investment Plan – Docket # 13-ALT-02

Dear Commissioner Scott:

The California Natural Gas Vehicle Coalition submits the following comments on the Draft of the 2014-2015 AB 118 Investment Plan. We greatly appreciate the Energy Commission's ongoing support for the development and deployment of natural gas transportation. We also appreciate the time and effort the Energy Commission staff and Commissioners have put into the AB 118 program.

As we have said in previous letters we strongly believe natural gas is a great transportation fuel that has not yet realized its potential. Our perspective is supported by the following facts: natural gas is abundant in North America; natural gas has a significant price advantage over gasoline and diesel; natural gas offers very competitive clean air and greenhouse gas benefits compared to other fuels; and each month there are more vehicle options in the heavy-duty, medium-duty, and light-duty markets.

The California Natural Gas Vehicle Coalition represents the state's natural gas vehicle industry and includes major automobile manufacturers, utilities, heavy-duty engine manufacturers, fueling station providers, equipment manufacturers, and fleet users of natural gas vehicles.

CEC needs to issue a PON for previously approved NGV Incentive Funding

The California Natural Gas Vehicle Coalition is very concerned that the California Energy Commission has not yet issued a Program Opportunity Notice for natural gas vehicle funding previously approved; \$10.8 million from the 2012-13 Investment Plan and \$12 million from the 2013-14 Investment Plan. We strongly encourage CEC to issue a PON for at least the 2012-13 NGV funding by 1/1/2014. Our members are available to help CEC get a PON out and more importantly the grants out to vehicle purchasers.

Do not reduce NGV incentive funding

The California Natural Gas Vehicle Coalition appreciates the Commission's continued support for natural gas vehicles as demonstrated by \$9 million proposed for natural gas vehicle incentives in the draft Investment Plan. However this proposal is \$3 million or 25% less than was approved for natural gas vehicle funding in the last Investment Plan. We are opposed to this proposed reduction in funding and believe it runs counter to the CEC's own discussion of the benefits of NGVs in this and past Investment Plans. NGVs are very low emission vehicles that provide significant greenhouse gas reductions compared to their gasoline and diesel alternatives. This is especially true in the heavy-duty vehicle market, a high-polluting transportation sector where there are very few alternatives to petroleum available. More investment in NGVs today also supports a viable pathway to greater use of other clean fuels such as renewable natural gas and hydrogen. For all of these reasons we strongly encourage the Commission to provide at least \$12 million in natural gas vehicle funding in this plan.

Our Coalition continues to believe that investing in vehicles is the most important strategy for growing natural gas as a transportation fuel in California. Unlike many other alternative fuels the natural gas vehicle industry has evolved to a point where many fueling stations do not need public funding to support their construction or operation. Private capital is being secured for most CNG fuel station projects where there are enough natural gas vehicles (NGVs) present to provide a sustainable demand for the stations fuel. As we have said before increasing the number of NGVs on the road as soon as possible is critical to continued and greater growth of natural gas as a sustainable alternative transportation fuel.

Do not reduce Biofuel Production Funding (including biomethane)

Here again the Natural Gas Vehicle Coalition appreciates that the CEC is proposing to provide significant funding for biofuel production in this Investment Plan but we are opposed to the proposed reduction in funding for this category. As we commented at the Advisory Committee meeting the CEC staff's write up about the benefits of biofuels is extremely positive. The draft Investment Plan comments about the dramatic emission reductions provided by biofuels, the strong potential to replace diesel and gasoline in a variety of applications and then goes on to propose a reduction in funding for this category. It makes no sense to do this. We urge the CEC to increase funding for this category to at least the \$23 million in the last Investment Plan.

Refueling Infrastructure funding important for certain scenarios

The California Natural Gas Vehicle Coalition continues to believe that the CEC will have the most positive impact on the expansion of natural gas transportation by providing vehicle incentive funding. That said we support funding for natural gas refueling infrastructure especially in cases where private funding is difficult to secure. School district fleets are one

example of a fleet that may need public funding support to refurbish aging refueling infrastructure or construct new refueling infrastructure. We urge the CEC to maintain contact with the private companies that are building refueling infrastructure across the state to make sure private funding is not readily available and help create opportunities for multiple fleets to use any project the CEC funds in this category.

Strong support for manufacturing and training investments in California

We strongly support continued funding for worker training as well as clean vehicle and component manufacturing in California. These investments are very important if California is going to realize its goals for a clean transportation future.

The California Natural Gas Vehicle Coalition has been in touch with CEC staff regarding some of the natural gas vehicle related numbers in the draft Investment Plan and will continue to work with them to make sure this plan includes the best data available before it is finalized.

Finally we look forward to working with the staff and Commissioners to strengthen this Investment Plan and deploy many more natural gas vehicles over the year ahead.

Sincerely,

A handwritten signature in black ink that reads "Tim Carmichael". The signature is written in a cursive, flowing style.

Tim Carmichael
President