

Jim McKinney  
California Energy Commission  
Sacramento, CA

California Energy Commission <b>DOCKETED</b> <b>13-ALT-02</b>
TN 72698 FEB 19 2014

February 13, 2014

**Subject: 2014-2015 Investment Plan Update for the Alternative and Renewable Fuel and Vehicle Technology Program –Fuel Efficient Tires**

Dear Mr. McKinney:

Thank you for the opportunity to provide comments on the revised staff draft *2014-2015 Investment Plan Update for the Alternative and Renewable Fuel and Vehicle Technology Program* (Investment Plan). We support CEC's proposed emerging opportunities funding allocation.

We also encourage you to add language (see attachment) to the emerging opportunities section of the plan to encourage the following priorities in your future solicitation(s) for projects:

- Emerging opportunities that are not addressed by other funding categories;
- Benefits to disadvantaged communities;
- Economic benefits that are significantly larger than costs and
- Potential for broad deployment with large avoided greenhouse gases (GHG) and air emission benefits.

For instance, CARB's February 10, 2014 draft of the AB32 scoping plan update notes the GHG benefits of passenger vehicle fuel efficient replacement tires under "Efficient Vehicle and Engine Technology and Zero Emissions Technology Development." We estimate that full deployment would reduce tailpipe GHG by three to four million metric tons carbon dioxide equivalent (MMTCO<sub>2</sub>e) per year. A recent Energy Solutions study for the South Coast AQMD found that a hypothetical incentive program would achieve benefits outweighing costs by a margin of 7:1.

The CEC's Investment Plan is an ideal opportunity to provide temporary funding for a demonstration incentive program focused on achieving these environmental and economic benefits starting with disadvantaged communities. Disadvantaged communities may have higher proportions of older cars that will benefit from the cost savings and emission reductions from fuel efficient replacement tires. This demonstration would also facilitate ratings and then standards to permanently shift the market.

We appreciate your consideration of our comments. Please contact me or have your staff contact me at [epike@energy-solution.com](mailto:epike@energy-solution.com) or (510) 482-4420 x239 if you have any questions.

Sincerely,



Ed Pike, P.E.  
Senior Project Manager

**Attachment:**  
**Suggested Addition to 2014-2015 Investment Plan Update for the Alternative and Renewable Fuel and Vehicle Technology Program**

We recommend adding the following language to the emerging opportunities section of the Investment Plan (before Table 13):

“There are promising emerging opportunities to consider. For instance, the California Air Resources Board has recognized the GHG reduction potential of fuel efficient replacement tires. In addition, a recent study for the South Coast AQMD (“Passenger Vehicle Replacement Tire Efficiency Opportunities” October 2013) found that the benefits of a hypothetical fuel efficient passenger vehicle replacement tire incentive would exceed costs by a ratio of 7:1.

The emerging opportunities solicitation will encourage the following priorities:

- Deployment of technology(s) that are not addressed by other funding solicitations under the 2014-2015 Investment Plan Update for the Alternative and Renewable Fuel and Vehicle Technology Program;
- Projects that will demonstrate a program with the potential for broad implementation to address state legislative goals for avoided GHG emissions, air emissions, and petroleum consumption;
- Projects with economic benefits several times larger than costs and
- Project that will provide cost savings and environmental benefits to a broad range of California drivers, with special emphasis on disadvantaged communities.”