



California Natural Gas Vehicle Coalition

October 22, 2012

Mr. Kurt Karperos
Assistant Division Chief
California Air Resources Board
1001 I Street
Sacramento, CA 95814

Re: CARB's Draft Vision for Clean Air

Dear Kurt:

The California Natural Gas Vehicle Coalition appreciates the significant time and effort Air Resources Board and Air District staff have put into developing a Vision for Clean Air. We understand that achieving California's clean air and climate goals will require a tremendous effort and investment from millions of people and businesses in our state. Having reviewed the document and participated in your workshops on this document we remain supportive of the goals but strongly believe the Vision misses opportunities to achieve greater emission reductions sooner and for significantly lower cost. Furthermore we believe the Vision does not present a realistic or likely future for natural gas transportation. We submit these comments with the intention of helping to improve California's Vision for Clean Air and the strategy to achieve that vision.

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 manufacturers, equipment manufacturers, and fleet users of natural gas vehicles. We are working together to advance natural gas transportation.

Significant NGV Growth

CARB's Vision document doesn't show ANY growth in the use of Natural Gas Vehicles in the future. This is at odds with virtually every other projection produced in the country this year. In a response to a request from CARB staff and to support this perspective we provided the following reports and analyses: MIT's "The Future of Natural Gas", Center for American Progress's "Developing Natural Gas for Heavy Vehicles", Progressive Policy Institute's "Natural Gas Reconsidered", the National Petroleum Council Study released August 1, 2012, PIRA Energy Group's August 27, 2012 report, and the

American Clean Skies Foundation August reports. We also encourage you to dust off your copy of the 2007 State Alternative Fuels Plan prepared by CEC and CARB. Clearly the projections for bio-fuels have not been realized but this plan remains a good resource for natural gas transportation projections.

In addition to universities, think tanks, and consulting groups, many businesses including our members believe natural gas vehicles will be an important part of the clean air and climate solution long into the future. This is especially true in the heavy-duty trucking sector. All the major engine manufacturers are currently offering natural gas engines and will be expanding the range of natural gas engines in 2013. Major trucking fleets are saying publicly that they anticipate that 30% or more of their new purchases will be for natural gas vehicles.

We were also very surprised that the Vision document shows no growth in biomethane use in transportation. CARB has identified this fuel as one of the lowest carbon fuels; approximately 90% better than petroleum. UC Davis's ITS program sees biomethane as one of the two best options for moving beyond diesel in heavy-duty transportation. In addition legislation passed this summer should help facilitate more in-state production of this clean fuel.

We strongly encourage you to review the materials we have provided along with the experiences of your staff that attended transportation conferences over the last year and adjust the Vision document to reflect a more realistic projection for natural gas transportation.

Vision document needs to include an analysis of costs

Cost is a critical factor in the purchasing decisions of individuals and businesses. It is also a key part of ARB's analysis in assessing the viability of each of your regulations. Obviously there are significant differences in the costs associated with all of the transportation fuels and technologies we are using and exploring in California. For many it is no longer the environmental attributes of alternative fuels and technologies that are driving their purchasing decisions but the cost savings they can achieve now or in the future. Natural gas is a clean fuel that is much less expensive than petroleum.

We support CARB setting aggressive emission reduction goals and targets but if costs are not considered than the viability for any strategy to achieve those goals and targets is thrown into question. We believe that if costs are considered the strategies pursued would likely be quite different. That probably means the path changes but does not necessarily mean the goals need to change.

We encourage you to include cost analysis in the Vision document.

Create an optional low-NOx standard now not in 2023 or 2025

When we first met with CARB staff on the Vision document in the early summer, staff did not seem interested in establishing an optional low-NOx standard any time soon. Staff also seemed unaware of the potential for natural gas engines to meet such a standard in the near-term. Thus we were very pleased to learn from CARB staff a week or so ago that you are seriously considering establishing an optional low-NOx standard in the near-term. Such a standard will help push engine technology and achieve lower emissions much sooner.

Establishing a standard will not be enough on its own. CARB should also dedicate some resources to research and development for these cleaner engines AND develop an effective incentive for engine manufacturers and fleets to produce and purchase these cleaner engines. Our members are happy to work with you on this important effort.

Make the Vision document a true multi-pollutant strategy

This Vision document is billed as a multi-pollutant strategy but particulate matter (PM) emissions are not given much attention. This is especially surprising given the fact that for more than a decade CARB has been a global leader in identifying and seeking to reduce the health impacts of particulate matter. More recently CARB has also been championing the need to reduce black carbon as part of the State's climate strategy.

We believe that if PM reductions are valued more in the Vision document there will be more incentive, more effort, and more urgency to move away from diesel – a high PM producing fuel – to cleaner fuels and technologies.

CARB's Incentive Funding Needs to Align with CARB's Vision

There appears to be a significant disconnect between the Vision document and CARB's plans for Incentive Program funding, especially Proposition 1b funding used to support cleaner goods movement in California. Today all of this funding is going to diesel vehicle purchases. Given current air pollution levels and the change in fuels and technologies called for in the Vision document, it seems CARB should be using all of its resources to invest in cleaner alternative fuel vehicles now.

In correspondence, workshops, and at Board meetings we have requested that CARB dedicate at least 30% of Proposition 1b to fund new alternative fueled vehicles. We continue to believe that CARB should make this shift. We also believe this approach would increase CARB's chances of achieving the goals in the Vision document.

Realize that the Vision document is used as a guide by others

In meetings and in presentations on the Vision document CARB staff have played down the significance of this document but it is clear many are taking the content of this document very seriously. The California Energy Commission is considering it relative to their AB 118 Investment Plan, the South Coast AQMD and San Joaquin Valley APCD are referencing the Vision document in their Air Quality Management Plans, and the private investment community are looking at it relative to future ventures. This is one of the reasons we feel it is so important for CARB to include better information on natural gas transportation.

The California Natural Gas Vehicle Coalition thanks you for the work you and your team have put into this document and for the opportunity to comment on it.

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

Tim Carmichael
President