



# California Natural Gas Vehicle Coalition

November 1, 2012

Mr. Wade Crowfoot  
Deputy Director  
Governor's Office of Planning and Research  
California State Capitol  
Sacramento, CA 95814

**Re: 2012 Draft ZEV Action Plan**

Dear Wade:

The California Natural Gas Vehicle Coalition appreciates the opportunity to comment on the draft 2012 ZEV Action Plan. We have reviewed the draft plan and attended the ZEV Summit on September 28<sup>th</sup>. There are several good ideas in the draft plan but we strongly believe this Administration and the State of California would be better served by a broader alternative fuels plan for transportation. By focusing on “zero-emission vehicles” this Administration limits the applications that can be transitioned away from petroleum and thus the economic and environmental benefits of this transition for at least the next decade or two. Following are some more specific comments on the Plan and the opportunities being missed.

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.

**Broader alternative fuels plan would provide more benefits sooner**

1.5 million zero-emission vehicles by 2025 may well be the right target for California. Based on what we see in the market today and technology being developed we believe most of these will be in the light-duty vehicle market. If the Administration took a broader approach in supporting alternative fuels more sectors of the transportation system and the economy could be transitioned away from petroleum during this same time period. These include goods movement via truck, rail, and ship; agriculture; and construction. A ZEV only approach faces various challenges including: limited product availability, higher costs, and performance.

## **ZEVs are not the only alternatives to petroleum that provide significant benefits**

The draft Plan includes a section entitled the “Benefits of ZEVs”. It is worth noting that all of the benefits sited in this section remain true when you replace “ZEV” with “NGV” (natural gas vehicle). To make the point:

*More NGVs coming to market is good news for California consumers.  
More NGVs on the road means cleaner air for Californians to breathe.  
NGV expansion bolsters California’s innovation-based clean technology sector.  
NGVs increase our energy independence.*

## **Heavy duty applications are your weakest link**

If there is one obvious weak link in the draft plan (and at the Summit) it is heavy-duty applications. The milestone of “widespread use of zero-emission vehicles for public transportation and freight transport [by 2020] seems to us to be the least likely to be achieved in this time frame.

Take heavy-duty trucks for example. There are roughly a million trucks operating in California. These account for 30% of the NOx emissions and 40% of the PM emissions. Over the next decade we don’t see ZEVs making much of a dent in this sector. However natural gas trucks could be 30-40% of new truck purchases. In addition there is significant potential for retrofitting diesel trucks already on the road to run on cleaner natural gas. This transition would provide lower smog emissions, lower greenhouse gas emissions, and help reduce our dependence on foreign oil. Natural gas is currently half the price of diesel so clearly this shift could provide tremendous economic stimulus as well.

There is also a very good opportunity here to work closely with the California Trucking Association which represents 2,000 trucking companies in California, to develop and implement a transition strategy which is both rapid and effective.

## **Raising Consumer Awareness**

We appreciate the need and the challenges of raising consumer awareness around alternative fuel vehicles and technologies. Moving even the most progressive state in the country from “cool idea” to widespread purchases of these vehicles has proved to be very tough. This is a challenge for all the alternative fuel vehicle technologies. That is why the Administration should be developing a broader education campaign to promote all of the options that are better than petroleum. We believe this can be done for no additional cost.

## California State Fleet

Compared to historical practice the following milestones for the State fleet are very positive.

- Ten percent of fleet purchases of light-duty vehicles be zero-emission by 2015; and
- At least 25 percent of fleet purchases of light-duty vehicles must be zero-emission by 2020

However if you compare these milestones to what is possible these are disappointing targets. As you are probably aware President Obama issued an Executive Order 18 months ago requiring that 100% of federal agency light duty vehicle purchases must be alternative fuel by 2015. Similarly we believe that if this Administration supported a broader spectrum of alternative fuels and included some limited exemptions California could reasonably AND cost-effectively require 100% of all (not just light duty) new state fleet purchases to be alternative fuel beginning in 2015. In fact given the fuel cost differential many of these purchases would save the State money.

The California Natural Gas Vehicle Coalition looks forward to working with you and others in the Administration to advance all clean fuels and technologies to grow our economy and protect our environment.

A handwritten signature in cursive script that reads "Tim Carmichael". The signature is written in black ink and is positioned above the printed name and title.

Tim Carmichael  
President