XC: Board Members 06-9-4
Chairman CEW 10/19/06
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Southern California Gas Company®

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October 17, 2006

California Air Resources Board (CARB)
Clerk of the Board
1001 "I "Street, 23rd Floor
Sacramento, CA 95814

Re: Proposed Amendment to the Zero Emission Bus Regulation

Southern California Gas Company (SoCalGas) would like to take this opportunity to complement the California Air Resources Board (CARB) staff on the significant effort they have made to seek input on proposed amendments to the California Zero Emission Bus (ZBus) regulation. The ZBus regulation workshops CARB staff developed have been very helpful to all parties in understanding the issues impacting ZBus regulations.

SoCalGas has been an active participant in ZBus regulation workshops and would like to offer comments on the most recent CARB staff proposal presented at the June 21, 2006 workshop.

SoCalGas supports the CARB staff proposal to delay the purchase of ZBuses by the Alternative-Fuel path participants until 2012. Based on the presentations by the transit agencies currently participating in the ZBus demonstration project, ZBuses will not be economical or commercially available before 2012 at the earliest.

SoCalGas opposes the CARB staff proposal to now include Alternative-Fuel path participants in the ZBus demonstration program. Our opposition is based on the fact that diesel path participants were given the responsibility to develop and carry out the ZBus demonstration program as a condition of choosing the Diesel path. Today, Diesel path participants are still in the development/demonstration phase, without being able to provide a commercially viable and economic ZBus. The Alternative-Fuel path participants have invested over one billion dollars in developing alternative fuel vehicles and infrastructure, and have significantly reduced emissions as a result of choosing the Alternative-Fuel path. It is unfair at this stage of the regulation to require them to invest in this demonstration program. It would also be very difficult for them to achieve this by 2012 given the experience of the diesel path participants.

The Alternative-Fuel path does not need to be part of the demonstration program to gain experience with ZBuses. Since it is likely that future ZBuses will use a gaseous fuel, such as hydrogen, the Alternative-Fuel path participants will already have experience in dealing with

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gaseous fuels. Further, once the buses are commercially and economically ready, the Alternative-Fuel participants will purchase the buses and operate them similar to any other new product.

Southern California Gas Company thanks CARB and its Staff for the opportunity to comment on this proposed regulation.

Sincerely,

Edwin T. Harte, Jr.
Low Emissions Vehicle Manager
Southern California Gas Company

Cc: Stan Sinclair, Southern California Gas Company