AIR POLLUTION
CONTROL DISTRICT
COUNTY OF SAN LUIS OBISPO

August 2, 2005

Mr. Gary Yee
Manager-Industrial Section
California Air Resources Board
1001 I Street
P.O. Box 2815
Sacramento, California 95812

SUBJECT: Proposed New Specifications for Compressed Natural Gas Fuel

Dear Mr. Yee:

The San Luis Obispo County Air Pollution Control District has reviewed the California Air Resources Board's (ARB) draft proposed concept to revise the motor vehicle compressed natural gas (CNG) specifications under Title 13, California Code of Regulations, section 2292.5. We have significant concerns with this proposal, particularly the provision to establish MN 73 as the standard for the South Central Coast Air Basin (SCCAB), while MN 80 would be the standard required for the rest of the state. This action could have significant consequences for our region, resulting in higher emissions from both stationary and mobile sources and stranding the legacy fleet of older heavy-duty vehicles with engines that are not compatible with this fuel quality.

Clean fuel vehicles are an essential component of air district efforts to reach and maintain California's health-based air pollution standard. In addition, conversion of heavy-duty diesel vehicle fleets to clean burning fuels is a critical element of the state and local district Toxic Risk Management Programs. It is critical that any change made by ARB to fuel specifications provide an air quality benefit, not result in backsliding. To encourage the maximum utilization of clean fuel vehicles, fuel availability for long-distance corridor traffic needs to be guaranteed. ARB efforts to modify fuel specifications should ensure that a strong network of public refueling stations exists statewide to provide fleets operators with assurance in purchasing fuel that is compatible with their vehicle. We believe a two-tier CNG specification (i.e., MN80 and MN73) would further hamper the development of a statewide clean fuel corridor.

Creating an "island" in the SCCAB would also adversely impact emissions from local stationary sources using this fuel. Recent studies conducted by the South Coast Air Quality Management District and Sempra Energy have shown significant NOx increases when MN 73 CNG is used in stationary source applications. Stationary source emissions from hot gas could, in reality, be higher than assumed by air district emission inventories, and thus detrimental to our air quality. The costs to achieve additional emission reductions from other local sources that are necessary to maintain attainment with the state ozone standard, as well as the costs to upgrade legacy vehicles within the county to operate on this fuel could be substantial. This inappropriately places the financial and regulatory impacts of this decision on local entities rather than on the fuel producers and marketers.

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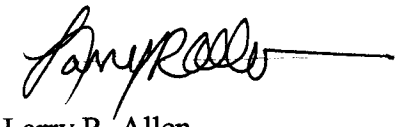
The SLO County Air Pollution Control District supports ARB's efforts to address the hot gas issue statewide; however, we do not believe the current proposal to establish a two-tiered fuel specification will accomplish the ultimate goal of improved air quality throughout our state. We urge ARB to thoroughly evaluate any proposed modifications to fuel specifications on both mobile and stationary sources and assure that the changes would not result in degradation of local air quality.

Thank you for the opportunity to comment on this important issue. If you have any questions, please feel free to contact me at (805) 781-5912.

Sincerely,



Larry R. Allen
Air Pollution Control Officer

cc: Barry Wallerstein, SCAQMD
Terry Dressler, SBAPCD
Mike Villegas, VCAPCD
Catherine Witherspoon, ARB
Leslie Crowell, ARB
Michael Peevey, CPUC
David Maul, CEC

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