



South Coast Air Quality Management District

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January 18, 2012

Mr. James Goldstene
Executive Officer
California Air Resources Board
P.O. Box 2815
Sacramento, CA 95812

Dear Mr. Goldstene:

SCAQMD Staff Comments Regarding the Clean Fuels Outlet Amendments

The South Coast Air Quality Management District (AQMD) staff appreciates this opportunity to provide comments on the California Air Resources Board (CARB) staff proposed amendments to the Clean Fuels Outlet Regulation. The AQMD has long-supported the development of alternative fuel infrastructure and encourages efforts to help commercialize near-zero and zero emission vehicles.

Amending the Clean Fuels Outlet regulation is an important step to increase certainty to automakers finalizing vehicle designs and production plans to commercialize zero emission vehicles. The AQMD staff supports the efforts of CARB to implement fueling stations to serve the increasing deployment of zero-emission vehicles by regulating the major energy providers based on market share. AQMD staff also supports the lower regional trigger of 10,000 vehicles to help grow a connected network of fueling stations.

AQMD staff has concerns about the following provisions:

Add a regulatory review for plug-in electric vehicles (PEVs).

The review for public and workplace PEV charging infrastructure should be based on the number of PEVs in operation, for example 20,000 vehicles, rather than wait until two years after implementation. Based on the number of PEVs already in operation, staff believes this will occur sooner than later. We further recommend encouraging utilities (especially municipal utilities) to participate in an early demonstration program that provides data from installed public and workplace chargers as well as surveys with large businesses and destination locations to assess the need for such charging infrastructure.

Violations:

AQMD staff recommends that any penalties collected for non-compliance by energy providers should be used to fund competitive solicitations to build sufficient stations by third parties.

Lower the regulation sunset provision:

Given that vehicle and station deployment is an interactive, iterative process, AQMD staff does not recommend lowering the sunset from 10% to 5% station penetration at this time. We believe it would be more prudent to monitor the development and commercial viability of the market and make the assessment for ending the CFO at a later date, for example when the SB1505 threshold or 3% saturation is reached. AQMD simply believes it is too soon to provide relief from a regulation when the market is just initiating.

In conclusion, we strongly urge the CARB Board to adopt the CARB staff proposed amendments to the Clean Fuels Outlet regulation in a way that encourages station implementation and minimizes delays. We look forward to continue working with CARB to aggressively accelerate the reduction of criteria pollutant emissions, which is so desperately needed in nonattainment regions such as the South Coast Air Basin.

Sincerely,



Barry R. Wallerstein, D.Env.
Executive Officer