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October 18, 2019

Clerk of the Board California Air Resources Board 1001 I Street Sacramento CA 95812

Submitted Electronically: http://www.arb.ca.gov/lispub/comm/bclist.php

RE: Proposed Fiscal Year 2019-20 Funding Plan for Clean Transportation Incentives

Dear Chair Nichols and Members of the Board:

The California Trucking Association and American Trucking Associations request the Board to continue incentive funding under HVIP for natural gas engines certified to meet the optional 0.02 g/bhp-hr NOx standard.¹ HVIP has been instrumental in helping to reduce the incremental cost of these engines. Until clear pathways for engines certified to meet the optional low NOx standard have been established through other incentives programs, such as Moyer and/or AB 617, purchases are likely to decline given the engine's higher capital cost. To continue to advance the deployment of this engine and the emission reductions associated with it, our associations support continuing to fund this engine under HVIP until other incentive options are finalized.

As noted in the staff report, HVIP has supported the purchase of more than 2,000 low-NOx engines since its inception in 2010.² And while this technology is characterized as "fully commercial" with continued funding "unlikely to further reduce the cost or otherwise advance this technology," these successful deployments are directly tied to incentive funding.³

It is noted that low-NOx engines more closely match the goals of other incentives programs, as opposed to the technology advancement focus of HVIP; however, the ease and readiness of HVIP vouchers are unmatched. To ensure the uninterrupted transition of incentive funding options for businesses looking to develop or continue to expand their natural gas vehicle fleets, the Board should direct staff to develop and finalize other incentive pathways for low-NOx natural gas engines prior to removing them from HVIP.

¹ The California Trucking Association has been serving the trucking industry in California, and the companies that provide products and services to those companies, for 85 years. ATA is an 86-year old federation and the largest national trade organization representing the trucking industry.

² California Air Resources Board, *Proposed Fiscal Year 2019-20 Funding Plan for Clean Transportation Incentives*, p. 90 (September 20, 2019).

³ Ibid, p. 93.

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We appreciate the Board's recognition of the need for incentive funding to continue technology deployment leading to cleaner air. We hope you will help to ensure a viable incentive pathway for the low-NOx natural gas engine.

Respectfully,

Mahren Therm

Chris Shimoda Vice President California Trucking Association

Mike Tunnell Director, Energy and Environmental Affairs American Trucking Associations