Shell Energy North America
4445 Eastgate Mall, Suite 100
San Diego, CA 92121
Tel 1+ 858 526 2109
www.shell.com/us/energy

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California Air Resources Board
1001 I Street
Sacramento, CA 95814

Via E-Mail

Re: Comments of Shell Energy North America (US), L.P. on the FY 2019-20 Funding Plan for Clean Transportation Incentives; Heavy-Duty Vehicle and Off-Road Equipment Investments

Shell Energy North America (US), L.P. ("Shell Energy") is a natural gas, power and environmental products marketer, and a regulated entity under the California Air Resources Board ("CARB") cap and trade regulations. It is also a registered entity under CARB's Low Carbon Fuel Specification regulations.

On July 17, CARB held a meeting "to seek input from stakeholders on heavy-duty vehicle and off-road equipment investments as part of the upcoming FY 2019-20 Funding Plan for Clean Transportation Incentives, which includes funding for the Air Quality Improvement Program (AQIP) and Low Carbon Transportation Investments." At the meeting, CARB proposed reduced funding in several key areas, three of which are of most concern to Shell Energy:

- Remove 8.9L low NOx engine from the Hybrid Voucher Incentive Project ("HVIP");
- Remove all low NOx engines from HVIP;
- Fund only ZE technologies (remove ePTOs, hybrids, and Low NOx);

Although these reductions could result in overall savings to the program, they result in penalizing early adopters. The vouchers are intended to provide immediate air pollution reductions while stimulating development of new technologies. Emissions reductions from the transportation sector are critical to reaching CARB's goals.

Shell Energy urges CARB to continue funding all forms of low NOx engines through the HVIP in order to advance, without delay, decarbonization efforts throughout the State. While zero emission technologies, especially in the medium and heavy-duty sectors, will be a critical future step in California's progress toward air quality improvement, natural gas engines, specifically those running on Renewable Natural Gas, remain the only commercially available and economically practical options to help California immediately address barriers to achieving its stated equity, air quality, and climate goals. Eliminating funding for low NOx engines will decrease clean transportation and mobility options in the State. Eliminating this funding will also place at risk any further deployment of the only readily available medium and heavy-duty engine options that are currently and tangibly contributing to California's air quality goals.

Sincerely,

MAMilner

Marcie Milner, Vice President
Regulatory Affairs
Shell Energy North America (US), L.P.
(858) 526-2106
marcie.milner@shell.com