



April 20, 2015

The Honorable Mary Nichols
Chairman, California Air Resources Board
1001 I Street
Sacramento, CA 95814

Dear Chairman Nichols,

On behalf of Clean Energy and Clean Energy Renewable Fuels (CERF), I would like to express our support in concept for the Sustainable Freight Initiative as the rulemaking process begins. We look forward to continuing discussions with ARB on how best to form public-private partnerships that will lead to significant reductions in ozone-forming oxides of nitrogen (NOx), greenhouse gas, and toxic diesel particulate matter emissions that impact both disadvantaged communities and California's most impacted regions: the South Coast and San Joaquin Air Basins.

As North America's largest provider of natural gas transportation fuel with over seventeen years of leading industry experience, we provide construction, operation and maintenance services for refueling stations. We have a deep understanding of the growing marketplace, and our portfolio includes over 550 stations in 43 states, including a significant presence of 150 in California, of which 65 are public. Our 65 public stations currently provide renewable natural gas (RNG) as compressed natural gas (CNG) or liquefied natural gas (LNG) vehicle fuel.

Already used as a clean source of energy around the world, natural gas is abundant and proven to be a cost-saving alternative fuel. Natural gas for transportation fuel strengthens our economy with lower fuel costs, increases our energy security, and significantly benefits our environment by reducing carbon emissions and smog-forming NOx emissions by up to 23% and 35%, respectively, compared to diesel fuel. Carbon emissions are reduced even further – by up to 90% - when renewable natural gas is used to replace diesel.

Over 80% of our polluting emissions come from mobile sources, and trucks operating in the goods movement sector are among the largest contributors. Trucking is vital to California's economy – the world's 7th largest – but is also the single largest source of pollution for the San Joaquin and South Coast Air Basins. Poor air quality creates a cost to everyone, and all too frequently, it is the most vulnerable who are at risk, cutting along economic, ethnic and racial divides. This disparity adversely affects those living in communities situated near pollution-affected corridors including freeways, ports, and rail depots. The Sustainable Freight Initiative promises to create a blueprint for the trucking industry to become cleaner, offering the greatest opportunity to improve air quality. By sending market signals that all cost-effective solutions will be considered, California can accelerate the development of even cleaner, affordable technologies that help drive down the cost of new heavy duty engines.

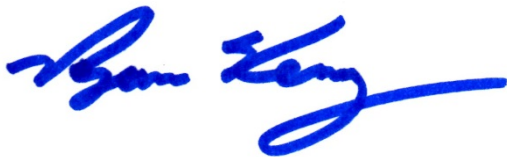
As the process begins, we would like to go on record with several points of concern for future discussion. These include:

- ARB views the optional low NOx emission standard as the default standard. However, final verification of the specific value (i.e., 0.1, 0.05, or 0.02 g/bhp-hr) is needed in order for the engine manufacturers to meet ARB's desired standard;

- We appreciate ARB's recognition that the certification process is difficult, expensive and time consuming. We look forward to discussing how ARB staff may plan to provide more flexibility for new technologies to receive certification of product;
- We support increased flexibility for manufacturers to certify advanced innovative truck engine and vehicle systems in heavy-duty applications if it includes natural gas engines with optional low NOx technology. Limiting this process to electric, fuel cell or hybrid-electric technologies unnecessarily constrains the program's success and threatens the state's ability to meet its SIP and greenhouse gas obligations;
- What carbon intensity targets is ARB considering for renewable fuel use in heavy-duty trucks and by what timeframe?
- We believe there should be a broader acceptance of natural gas as a transportation fuel, not just for renewable natural gas as heavy-duty natural gas trucks are a necessary vehicle to deliver renewable natural gas use into the transportation sector;
- We encourage the discussion about renewable natural gas but "in addition to" a discussion of fossil-based natural gas;
- ARB should provide clear guidance on interim targets. As ARB completes its criteria and greenhouse gas emissions calculations, it is important that the Board set clear reduction targets for the industry that considers full lifecycle emissions, not just tailpipe emissions.

Clean Energy would like to thank staff for the substantial work performed in developing the Discussion Draft. It highlights many barriers and needs that we collectively must overcome to succeed in meeting state and regional air quality goals. We look forward to working with ARB staff throughout the process and hope to assist the agency in developing a strategic strategy by 2016 that will outline a realistic pathway to a near-zero and zero emission future. Thank you for your time and consideration of our comments.

Sincerely,



Ryan Kenny
Senior Public Policy & Regulatory Affairs Advisor
Clean Energy and Clean Energy Renewable Fuels

cc: Board members, California Air Resources Board