



October 22, 2018

The Honorable Mary Nichols and Members of the Governing Board
California Air Resources Board
Post Office Box 2815
Sacramento, CA 95812

**RE: FISCAL YEAR 2018-19 FUNDING PLAN FOR CLEAN
TRANSPORTATION INCENTIVES**

Dear Chair Nichols and Members of the Governing Board:

On behalf of the California Waste & Recycling Association and our industry recycling and waste collector members we appreciate the opportunity to comment on the proposed Fiscal Year 2018-19 Funding Plan for Clean Transportation Incentives from the Greenhouse Gas Reduction Fund (GGRF). This funding represents a critical component for our industry members to continue to transition their fleets from diesel to cleaner low carbon fuels.

We do urge several changes to the Clean Truck and Bus Vouchers Program which will better achieve the program's goals. One needed change will require amending the program for low NOx engines that use renewable fuels.

This includes NOT disallowing the refuse sector applications for new purchases. As your staff report states, approximately 61% of the funds subscribed for the 2017-18 voucher program as of June, 2018, came from the refuse sector. For the past two years we have seen inadequate incentive levels for 8.9L and 11.9 low NOx engine purchases. We believe it is critical to NOT eliminate refuse new purchases for the 8.9L low NOx engine, but rather prioritize other vocations for trucks over refuse and transit applications. This will increase applications and if those applications do not fully subscribe the amount allocated for the program the refuse sector has an opportunity to backfill the remaining dollar allocations before ARB decides to transfer the funds outside of the program.

We are encouraged that ARB staff has recognized the need to increase the maximum voucher amount for both the 8.9L and 11.9L low NOx engine to \$45,000. And it was noted that no one has ever been turned down seeking to use a voucher for a low NOx engine. However, applications for the 11.9L engine will continue to suffer if the voucher amount is anything less than \$60,000. Much like the incentives being offered for zero emission vehicle categories, the voucher amount must cover the incremental costs of the technology to motivate meaningful market adoption. This higher amount will help cover the low NOx engine; fuel system; warranty to match a diesel engine; maximization of on-board

fuel capacity; and general transition costs from diesel to low NOx. It might be possible to “stack” other grant programs to achieve a \$60,000 voucher. This could be done when a local air quality agency or port authority allocates funds to incentivize a faster transition to cleaner fleets.

We commend the ARB in their recommendation that repowers be added to the voucher program as this has not been allowed in the past.

Thank you for your consideration of these recommended amendments and we look forward to our members being able to participate in the Bus and Truck Voucher Program for 1018-19. We share your vision of replacing dirty diesel vehicles with clean burning renewable fuels.

Sincerely,



Ron Saldana
Executive Director