

Thomas Lawson
18-8-6



California Natural
Gas Vehicle Coalition

October 24, 2018

Jack Kitowski, Chief
Mobile Source Control Division
California Air Resources Board
Post Office Box 2815
Sacramento, CA 95812

Re: Fiscal Year 2018-19 Funding Plan for Clean Transportation Incentives

Mr. Kitowski,

On behalf of the California Natural Gas Vehicle Coalition (CNGVC), I would take this opportunity to add to our comments from our letter that was submitted on August 28th on the Fiscal Year 2018-19 Funding Plan for Clean Transportation Incentives.

First, I would like to thank Board members and staff for making themselves available over the last couple of weeks to discuss these important issues. I have three additional comments that we would like to make based on those discussions:

1. CNGVC supports the staff change to allow diesel Waste/Refuse fleets that are looking to transition to the CWI Low NOx engine access to the HVIP program. The voucher amount of \$45,000 for the 8.9L in this case is a healthy incentive to spur fleets to convert and not have a negative impact on their bottom line.
2. CNGVC would like to add our support to the chorus of voices from the Waste industry that oppose the discontinuing of the voucher for their purchase of new refuse trucks for fleets that have natural gas engines. Staff has stated the voucher is better suited for repowers. Their letter addresses many reasons for their opposition by we want to draw the attention to the most powerful one in our opinion: “repowering an existing refuse truck” is “uncommon and unlikely to stimulate further HVIP participation”. There are many limitations to repowers which prevent many fleets from choosing this as a viable fleet management option.
3. Lastly, CNGVC would like to express strong support for the establishment of the HVIP working group. As we have seen with the SB 1383 Dairy Working groups, they can be a wonderful tool that can bring together industries, fleets, and advocacy groups to hash out consensus

California Natural Gas Vehicle Coalition • 1201 K Street, Suite 1990 • Sacramento, CA 95814
Phone: (888) 538-7036

recommendations on how to ensure that the state's programs are working at their peak performance. This will be a great place to determine the true incremental costs for the 11.9L Low NOx engine. This engine will directly replace diesel trucks in our freight sector. Heavy duty trucks are one of the largest causes of dirty air in the mobile source sector and we must find a way to make that transition as attractive as possible for fleets that are looking to buy assets today, not 10 or 20 years from now. Transitioning these class 8 trucks will be tough but increasing the voucher amount to \$60,000 will make it a lot more digestible. We do not believe that having the same voucher amount for the 8.9L and 11.9L make sense. These are bigger engines with different fuel system configurations that will need more incentives to pencil out. We look forward to a forum where we can have this discussion well ahead of a vote on the overall funding plan.

Who We Are

CNGVC is an association of natural gas engine manufacturers, OEMs, utilities, fuel providers, and fleet operators serving the state. We are united in the belief that wider adoption of clean-running natural gas vehicles—running on renewable gas—is key to helping California reduce greenhouse gas emissions, air pollution and petroleum dependence.

Thank you for your time and consideration, please contact me if you have any questions at thomas@engvc.org or at 888-538-7036.

Sincerely,



Thomas Lawson
President, California Natural Gas Vehicle Coalition

Cc: Peter Christensen, ARB