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Clerk of the Board
California Air Resources Board
1001 I Street
Sacramento, California 95814
<http://www.arb.ca.gov/lispub/comm./bclist.php>

RE: California Air Resources Board December 12, 2013 Public Hearing to Consider Adoption of Optional Reduced Emission Standards for Heavy-duty Engines (Agenda Item 13-11-1)

Dear Chair Nichols and Board Members:

Southern California Gas Company (SoCalGas) appreciates the opportunity to submit these comments on your staff's proposal to adopt new optional low oxides of nitrogen (NOx) standards for heavy-duty engines. Given that the intent is to encourage engine manufacturers to introduce new technologies to reduce NOx emissions below the current mandatory on-road heavy-duty engine standards for model years 2010 and later, SoCalGas supports the proposal of the new optional low-NOx standards and the concept that engines meeting the standards would receive preference in funding from incentive programs such as the Carl Moyer Memorial Air Quality Standards Attainment Program.

We believe the new optional low-NOx standards can serve an important role in achieving the ozone and particulate matter (PM) standards in the South Coast Air Quality Management District and the San Joaquin Valley Air Pollution Control District.

Furthermore, the optional low-NOx standards are consistent with SoCalGas' prior statement regarding multiple technologies. To achieve the federal ambient air quality standards, a multi-technology approach, building on available, clean natural-gas vehicles makes sense both in terms of emission reductions and cost effectiveness. Indeed, natural gas engines form the starting point on a pathway to near-zero or "power-plant equivalent" transportation options – a goal that is consistent with these low-NOx standards.

SoCalGas very much appreciates staff's acknowledgement of our current low-NOx engine demonstration projects in the Staff Report: Initial Statement of Reasons for this

proposed rulemaking. SoCalGas is committed to using our research, development, and demonstration funding to further advance natural gas technology including low-NOx engines that benefits our ratepayers and in the case of mobile sources, all residents of California.

SoCalGas understands that CARB's intent with the proposed optional low-NOx standards is to (1) encourage manufacturers to produce the very low emission engines needed in California to attain federal criteria pollutants standards, and (2) give them sufficient flexibility so they offer engines in all on-road, heavy-duty vehicle categories. We previously recommended and have discussed with staff the development of a stakeholder group to solicit ideas from manufacturers, vendors, fuel suppliers and operators to offer ideas for designing an integrated approach including updating incentive program guidelines to achieve the goals above.

For the new engines to be economically viable for the manufacturers, it is clear they need to be able to sell these engines in markets other than just California. The state of California has a real interest in assembling a coalition of similarly situated regions of the country to discuss ways to promote the development and use of near-zero (0.05 g/bhp-hr) and "power-plant equivalent" (0.02 g/bhp-hr) engines. SoCalGas commits to provide its support for efforts by the State to reach out to other regions in the nation and to work to gain their cooperation in an effort to provide market viability for near-zero and "power-plant equivalent" engines.

SoCalGas truly appreciates CARB staff's support of an open dialogue and stakeholder participation in reaching the goals set forth in the Initial Statement of Reasons for your proposal to adopt new optional low-NOx standards for heavy-duty engines. If you would like to discuss these comments, please contact me at (213) 244-8851, or Colby Morrow of my staff at (559) 999-3450, for further coordination of the proposed stakeholder group and outreach to other regions with similar near-zero emission transportation goals. Colby is able to arrange conference calls or in-person meetings if CARB wishes to discuss these issues further.

Sincerely,

Lee Wallace

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