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Richard Corey
Executive Officer
California Air Resources Board
P.O. Box 2815
Sacramento, CA 95812

RE: Comments on the Discussion Draft of the Low Carbon Transportation Funding Plan

Dear Mr. Corey:

SoCalGas appreciates the opportunity to comment on the proposed 2019-2020 Fiscal Year Funding Plan for Low Carbon Transportation Investments. We commend California Air Resources Board (CARB) staff on their efforts to develop a thorough plan with the existing budgetary constraints. However, SoCalGas is unable to support the plan as released as it proposes to eliminate funding for low nitrogen oxide (NOx) trucks under the Hybrid and Zero-Emission Truck and Bus Voucher Incentive Project (HVIP). We hope to work with staff to come to a common ground on the continued funding for the 11.9-liter Low NOx trucks under HVIP.

The 11.9-liter Low NOx truck is ideal for converting the existing fleet of heavy-duty diesel trucks to alternative fuel. Low NOx trucks produce 90 percent less NOx than the cleanest available diesel trucks and when paired with renewable natural gas can achieve significant greenhouse gas emission reductions. Low NOx trucks can provide an immediate, low emission option, both for criteria pollutants and greenhouse gases, that can help the state meet aggressive near-term and long-term emission reduction requirements in the hard to reach heavy-duty truck sector.

The heavy-duty trucking sector is dominated by diesel. While the 11.9-liter Low NOx engine is commercially available and there has been adoption of this technology, there is not enough market penetration that a company would move to alternative fuel without incentives. Other incentive programs exist but come with very different requirements that are often difficult for applicants to fulfill. Until other programs, such as Carl Moyer, are modified to suit a larger range of applicants, we request that Low NOx trucks remain in HVIP. Modifying other programs would ensure that technologies that are "graduated" from HVIP have a "landing spot" to continue market penetration.

The that end, SoCalGas would like to make the following recommendations to CARB when considering the Funding Plan:

- Keep Low NOx trucks in HVIP for at least one more fiscal year, giving time for industry and CARB staff to make the needed modification to complementary incentive programs.
- Commit staff to work with industry to identify challenges with complementary programs and modify as appropriate.

Additionally, the Funding Plan includes a new definition of “near zero” as “...vehicles that have a duty-cycle that include zero-emission operation, including ePTOs and hybrids with an all-electric range...as the technology evolves, CARB may modify the definition of near zero-emission to include only those technologies that achieve a specified all-electric range.” While there has been no clear definition of “near zero”, it is particularly important to note that the terms “near zero” and “Low NOx” have been used synonymously in many CARB and agency (California Energy Commission, South Coast Air Quality Management District) documents and by the CARB Members themselves. For example, the CARB “Sustainable Freight Pathways to Zero and Near-Zero Emission” document states several times that “we (CARB) anticipate that near-zero emission technologies and efficiencies will be capable of achieving a 90 percent reduction in NOx emissions and a 50 to 80 percent reduction in GHG emissions,” which can only be achieved by the use of Low NOx trucks. In fact, using the definition outlined in the Funding Plan would redefine what “near zero” means to the general public. Therefore, SoCalGas recommends that defining “near zero” should be done thoughtfully, and collaboratively with stakeholders through a public process.

Thank you again for the opportunity to comment on the Funding Plan. We hope to work with staff on making the necessary changes to make incentive programs effective and successful.

If you have any questions, please feel free to contact me.

Sincerely,



Kevin Maggay
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