

April 24, 2013

Chairwoman Mary Nichols  
California Air Resources Board  
Sacramento, California

**Subject: Cap-and-Trade Auction Proceeds Investment Plan – Passenger Vehicle  
Aftermarket Products Incentive Program**

Dear Chairwoman Nichols:

Thank you for the opportunity to comment on the draft Cap and Trade Auction Proceeds Investment Plan (or “Investment Plan”) released April 16, 2013.

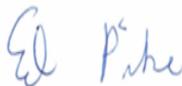
We recommend broadening the Investment Plan’s “Infrastructure” category to encompass additional measures that address the efficiency of the in-use fleet, including fuel efficient replacement tires and engine oil. Such measures were included in the AB32 Scoping Plan, but have not yet been implemented (*see* p. 51-2 and Appendix C-64). An incentive program in these areas could achieve \$750 million in net annual customer savings and reduce greenhouse gases emission by roughly 2 million metric tons, as noted in our February 25 testimony and March 8, 2013 detailed [written comments](#). In addition, a replacement tire incentive program will complement important efforts to potentially develop labeling information and/or standards for low rolling resistance passenger vehicle replacement tires.

We suggest the following revision on page B-3 of the Appendix to the draft Investment Plan (proposed additions underlined) to recognize the value of these types of programs:

“Infrastructure and Tailpipe Emission Reductions (SB 391): Funding for infrastructure for smooth/GHG pavements [sic], complete streets, ramp meters/traffic management and for vehicle in-use efficiency (such as fuel efficient tires and/or engine oil) programs and incentives.”

Thank you for considering our comments. Please contact me or have your staff contact me at [epike@energy-solution.com](mailto:epike@energy-solution.com) or (510) 482-4420 x239 if you have any questions.

Sincerely,



Ed Pike, P.E.  
Senior Project Manager