

November 14, 2022

Liane Randolph
Chair, California Air Resources Board
Clerks' Office, California Air Resources Board
1001 I Street, Sacramento, California 95814

**Re: Comment on the California Air Resources Board Fiscal Year 2022-23
Funding Plan for Clean Transportation Incentives**

Dear Chair Liane Randolph:

On behalf of the Propane Education & Research Council (PERC), I thank you for the opportunity to provide comments on the California Air Resources Board's (CARB) proposed Fiscal Year (FY) 2022-23 Funding Plan for Clean Transportation Incentives.

Authorized by the U.S. Congress in 1996, PERC is a nonprofit organization that invests in research, development, and commercialization of clean-burning low-emission propane-powered technologies. PERC partners with a variety of trade associations, advocacy groups, and government agencies to promote safety and the adoption of propane as a clean domestic fuel source. Our organization supports clean-fuel / low-emission programs in applications that include transportation, agriculture, commercial landscaping, residential, and commercial buildings. PERC has produced educational materials and supported government agencies to identify, assess and widely deploy clean-burning propane engines in these applications.¹

PERC greatly appreciates the leading and influential role the CARB plays by setting crucial emissions standards and offering funding programs to support organizations in their transition to alternative fuels. Our comments below are designed to best address the potential outcomes from the proposed FY 2033-23 funding plan and our suggested alterations to particular budget details.

Local Educational Agency School Bus Replacement Grants

AB 181 provides CARB with \$1.125 billion and the CEC with \$375 million from Proposition 98 General Funds (Prop 98) to support grants to local education agencies to deploy new zero-emission (ZE) school buses or school buses powered by renewable fuels if ZE is not feasible. Small and rural schools in California who cannot afford ZE school buses and the high infrastructure costs associated with them will benefit greatly from AB 181. Further, these schools do not have the proper power resources to activate chargers, and ZE school bus's range are not capable of

¹ For additional details, please navigate to <https://propane.com/environment/>.

meeting rural schools' long-range duty cycles. Through this funding, these school districts will be able to stop running older, dirtier, diesel school buses and reduce the harmful and toxic pollutant inhaled by students, bus drivers, and those living along school bus routes.

PERC sees an opportunity for CARB to support these small and rural school districts and address the challenges listed above. Specifically, CARB has elected to administer the Local Educational Agency School Bus Replacement Grant program through the Hybrid and Zero-Emission Truck and Bus Voucher Incentive Project (HVIP) program, which requires buses that can harness renewable fuels to meet a 0.01 g/bhp-hr NOx standard. However, no manufacturer currently produces an engine that can use renewable fuels that meets this emission standard, and none are expected until at least the 2027 implementation of the Omnibus Low NOx standard. Thus, there exists discord in the messaging between these renewably fueled low NOx buses being eligible the ability of the small and rural school districts deploying them.

PERC sees the use of this 0.01 g/bhp-hr NOx standard as eliminating the true potential of Prop 98 to support near zero-emission (NZE) projects and school districts in need. The Local Educational Agency School Bus Replacement Grants must use the real-world and readily available standard of 0.02 g/bhp-hr NOx to define the alternative school buses that can be funded with this program. This will allow more old and dirty diesel school buses to be removed from California and replaced with non-diesel school buses powered by renewable fuel.

In the most recent Advanced Clean Fleet (ACF) hearing on October 27, 2022, multiple CARB board members vocalized the need to investigate a requirement for fleets that seek exemptions from their ZEV purchase requirements to replace any vehicles with new trucks that meet the MY 2027 Omnibus Low NOx emission standard of 0.02 g/bhp-hr. PERC supports this requirement in the ACF and suggests that ARB use this same approach in the administration of the Local Educational Agency School Bus Replacement Grant program. We urge CARB to provide a genuine opportunity for school districts to deploy cleaner school buses using renewable fuels at the attainable NOx standard of 0.02 g/bhp-hr, a standard 90% cleaner than today's engine emission standard. PERC also urges the CEC's \$375 million include an opportunity for NZE school bus applications to receive funding for fueling infrastructure.

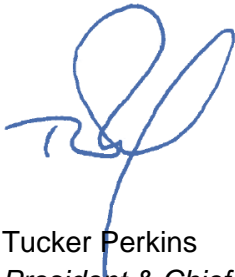
Conclusion

PERC applauds both CARB and other involved governing bodies for providing school districts the opportunity to deploy school buses using renewable fuels where ZE is not a viable option. Governor Newsom's FY2022-23 California Spending Plan, the Prop 98 section explicitly states \$1.5 billion go towards making both zero- and low-emission school buses available for purchase by grantees. The budget does not specify a NOx standard and assuming HVIP's 0.01 g/bhp-hr NOx standard is in

direct conflict with Prop 98 and the Governor's goals to help under resourced school districts reduce local emissions from diesel school buses, the NOx standard used by HVIP for school buses must be changed to a 0.02 g/bhp-hr NOx standard or no low-emissions school buses will be purchased. PERC looks forward to seeing the approval of the spending plan and the implementation of its suggested adjustments.

Thank you for the opportunity to submit comments under CARB's proposed FY 2022-23 Funding Plan for Clean Transportation Incentives. If you have any questions about our input or suggestions, please reach out to me at the contact information provided in the submission portal.

Sincerely,



Tucker Perkins
President & Chief Executive Officer
Propane Education & Research Council