

Janie Hall  
13-5-4



April 25, 2013

California Air Resources Board  
1001 I St.  
P.O. Box 2815  
Sacramento, CA 95812

RE: Cap-and-Trade Auction Proceeds Investment Plan

**Clean Transportation  
Technologies and Solutions**

[www.calstart.org](http://www.calstart.org)

Board of Directors

Mr. John Boesel  
CALSTART

Mr. Jack Broadbent  
Bay Area Air Quality  
Management District

Mr. Michael Britt  
United Parcel Service

Ms. Karen Hamberg  
Westport Innovations

Mr. Douglas Kim  
Southern California Edison

Mr. Brian Olson  
QUANTUM Technologies  
World Wide Inc.

Mr. Puon Penn  
Wells Fargo Bank

Dr. Jeff Reed  
Sempra Energy Utilities

Mr. Dipender Saluja  
Capricorn Investment Group

Mr. Paul Smith  
New Flyer Industries Limited

Mr. George Survant  
Time Warner Cable

Mr. Stephen Trichka  
BAE Systems

Ms. Jane Warner  
American Lung Association in  
California

Mr. William Zobel  
Trillium USA

Thank you for the work to date and for the opportunity to provide input and perspective on investment of cap and trade revenues. We provided the bulk of our input on March 8<sup>th</sup> in response to the prior draft investment plan and will not reiterate all of those points below. Rather, our goal with these follow-up comments is to follow up on a few key points regarding transportation-sector investments.

We agree that the plan should focus on both near-term reductions and development of transformational technologies needed to meet longer term goals. We also agree that the best way to move forward in the near term is to focus on enhancing existing programs such as the successful and oversubscribed AB 118 program.

We strongly agree with the recommendation to provide the largest funding allocation to the transportation sector. As noted in the report, transportation sector is the biggest single contributor to both GHGs and criteria emissions in the state. Investments in this sector are desperately needed and they will have substantial co-benefits.

There has been much discussion of the need to invest in sustainable communities and smart growth. We agree that these are high priority needs, but we also want to stress the ongoing need to also invest in clean, low-carbon transportation technologies. The Vision for Clean Air Framework highlights the fact that we cannot meet our goals as a state without dramatic technological advances vehicles, fuels, and transportation systems.

For example, we need to see much cleaner trucks, buses, and off-road equipment. Developing and deploying these technologies at scale will require state investment that exceeds resources from existing programs such as AB 118. We are pleased to see that the plan recommends additional funding for zero- and near-zero emission freight movement equipment, but we note that the plan focuses exclusively on competitive grant programs. We recommend maintaining flexibility to use a variety of different funding mechanisms, including purchase vouchers and innovative financing mechanisms in addition to grants.

We also agree that zero emission passenger cars and infrastructure should be a high priority investment. We need to see broad market success for these electric and hydrogen fuel cell vehicles if we want to achieve our goals. The Clean Vehicle Rebate

OFFICES IN:

48 S. Chester Ave PASADENA, CA 91106 • 626.744.5600 • FAX: 626.744.5610 | 14062 Denver West Pkwy Suite 300 LAKEWOOD, CO 80401-3188 • 303.825.7550 • FAX 626.744.5610  
501 Canal Blvd., Suite G RICHMOND, CA 94804 • 510.307.8772 • FAX: 510.307.8708 | 161 E. Michigan Ave., 6<sup>th</sup> Floor, Suite B KALAMAZOO MI 49007 • (626) 744-5603



Project is a very important incentive in this area, but it is severely oversubscribed. Ensuring continued and sufficient investment in zero emission vehicles and infrastructure is important.

As noted in our previous comments, we also believe significant investment is needed in next generation low-carbon fuels and fueling infrastructure. This should include investments in zero emission technologies such as electric vehicle chargers and hydrogen stations. It should also include investments in near-zero emission technologies such as advanced biofuels.

We believe the best way to address these technology investment needs in the near term is to enhance the existing AB 118 program. This program is successful and is driving both near- and long-term emissions reductions today, but it is oversubscribed. This will continue to be the case even if the AB 118 program is extended via legislation. Additional near-term funding for transportation technology development and deployment via AB 118 would be a wise investment that would allow for strategic investments with minimal start-up costs and delays.

In conclusion, targeted investments in transportation technologies and strategies will help the state achieve GHG reductions in both the near- and long-term. These investments also capture important co-benefits such as job creation and criteria emission reduction in disadvantaged communities. AB 118 provides a proven, existing program structure for these investments, and ARB may wish to consider new programs as well to fill other needs.

We appreciate the opportunity to submit comments on this important matter and will continue to remain engaged in the process.

Sincerely,

Jamie Hall  
Policy Director  
CALSTART