



Natural Gas Vehicles for America

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Liane M. Randolph, Chair
California Air Resources Board
P.O. Box 2815
Sacramento, CA 95814

RE: NGVAmerica Comments on the CA Low Carbon Fuel Standard Alternatives A, B and C

Chair Randolph:

Natural Gas Vehicles for America (NGVAmerica), the national trade association for the natural gas vehicle industry, respectfully submits the following comments on the need to expand the low carbon fuel standard program and in support of that objective, to continue to incentivize the lowest carbon fuels available to the transportation market. Alternatives A and B of the Low Carbon Fuel Standard (LCFS) alternatives presented by the California Air Resources Board (CARB) would, we fear, not grow the program and could offset overall emission reductions if California no longer continues its practice of rewarding those fuels and technologies that provide the greatest emission reductions.

NGVAmerica strongly endorses the use of all low carbon renewable fuels now while zero emission vehicles (ZEV) are being developed. California should not wait for zero emission platforms to be commercialized before taking strong action to lower emissions. It is important that California continue to show leadership in encouraging a variety of solutions and low-carbon strategies as well as recognize that some applications might never be a good fit for electrification. To date, CARB has shown that it understands that to promote a cleaner environment effectively and quickly, RNG is an essential component of the LCFS program, and NGVAmerica appreciates CARB leadership in this.

There is **no one solution** to the pressing environmental issues facing the transportation sector. Thus, it is imperative that policies support businesses that are moving quickly to deploy technologies and solutions that are readily available, maximize cost-effective emission reductions, and provide a real pathway to carbon neutral or carbon-negative emissions. This includes supporting efforts to deploy low-NOx natural gas trucks fueled by renewable natural gas.

Converting medium- and heavy-duty (M/HD) vehicle transportation networks to low NOx trucks operated on RNG provides a readily available, proven and cost-effective solution to accelerate the transition to a low-carbon transportation future. Further, dedicating program resources to cleaner alternative fuel technologies that are available now will significantly and immediately benefit all communities by maximizing the displacement of older, higher emitting diesel trucks and buses, including those higher emitting vehicles that operate in communities that are underserved by current transportation options.

Advocating the increasing use of NGVs where they benefit most.
For the economy. For the environment. For health. For security. **For America.**

Near-zero engines operated on RNG produce at least 90% *less* NOx than the cleanest diesel engines and operate at virtually zero NOx emissions (0.02 g/bhp-hr or less). In California RNG is used to fuel low NOx vehicles providing reduced life cycle emissions of greenhouse gases (GHG) that in some cases can be net zero or even carbon negative (as shown from CARB's own carbon intensity data from its LCFS program at:

<https://ww2.arb.ca.gov/resources/documents/lcfs-pathway-certified-carbon-intensities>).

NGV America believes that CARB must continue to use the current LCFS Program structure and components to include and promote the use of RNG in low NOx trucks for the near term and beyond to reduce emissions from the transportation sector, especially in disadvantaged communities that have been relegated to diesel solutions while we work together to transition to a zero emission future.

Despite the state's best efforts to move us to a zero emissions future, there are a number of barriers to making this transition overnight and will most likely take several decades of partnership with our member companies who want to help CARB make this transition as smooth as possible with the use of RNG and support of low NOx trucks when zero emission options do not make commercial or operational sense.

Real World Experience

Amazon has ordered thousands of Classes 6 through 8 trucks, choosing low NOx vehicles because they would not buy diesel trucks and could not buy electric trucks now or in a reasonable timeframe. UPS, WM, Republic Services, Fort Collins Transit Buses, Denver International Airport Buses and equipment, Los Angeles World Airport Buses, City of Los Angeles, City of Fresno Transit, Los Angeles County Metro Transit Authority, and many other fleets have chosen to continue to deploy low NOx natural gas trucks as the viable and in some cases the only available non-diesel heavy-duty truck option for their operations.

Investments in RNG-fueled trucks and transit buses accessing ports, cities, and densely populated neighborhoods are the most immediate and fiscally responsible investment to clean our air and combat climate change. Communities get more clean vehicles having greater clean air and climate impact for the money with RNG than with any other alternative fuel option, especially electric. No other transportation fuel is as sustainable, adaptive, and competitive across all applications and vehicle classes. And heavy-duty low-NOx trucks are not demonstration projects; they are proven, scalable, and on U.S. roads today. Current emission reduction goals will not be met without using RNG.

Reduce Emissions Now and in the Future

Fueling with RNG also creates new economic development for energy created from wastewater treatment, landfills, animal waste and other methane sources and significantly increases air quality by reducing the amount of methane released. California has been the leader in encouraging the tremendous growth in the production of renewable natural gas for the transportation sector. It has invested hundreds of millions of dollars in encouraging in-state production, but the benefit of its leadership can be felt far beyond its borders.

Today a significant amount of RNG used in the LCFS program is produced out of state. This is beneficial for California fleets and businesses because the participation of out-of-state biofuels helps to increase competition for lower-carbon fuels and lowers compliance costs. It would be counterproductive to foreclose participation to out of state producers, just as it would be counterproductive to require that all batteries or battery electric vehicles be produced in California.

California's credit program under the LCFS helps to ramp up production and emission reductions in other states, which is a good thing because climate change is a global problem. California's leadership has encouraged other states to adopt low-carbon or clean-fuel standards, and its actions could eventually lead to a national low-carbon or clean-fuel standard. It is doubtful that a national program would encourage states to discriminate against out of state production.

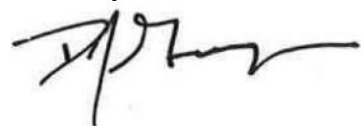
California should realize its influence on the rest of the country and carefully consider any changes to the LCFS that might limit any out of state participation or modify avoided methane emission credits. Such changes create immense uncertainty in the market, a market that already is seeing projects cancelled due to low credit prices. If anything, we need to be more aggressive on the CI target for 2030 to ensure that we meet California's carbon neutral goals in 2045. To encourage more in-state RNG production including to aid in meeting its SB 1383 goals, CARB should focus on making in-state permitting less obstructive and pipeline interconnects more obtainable.

Conclusion

NGVAmerica strongly believes that RNG-operated low NOx vehicles must be a key component in the CARB LCFS program if emissions reductions are to occur in any reasonable timeframe. Alternative C of the LCFS alternatives makes no changes in the program, thereby allowing the current performance based assessment of fuels in the LCFS to be maintained to encourage and incentivize vehicles that operate on low and carbon negative fuels. This will also provide market certainty to those engaged in or planning avoided methane and RNG production projects. Statutory requirements are pressing on California and CARB needs solutions that work now to decarbonize and clean California's environment. Therefore, we request that RNG-operated low NOx trucks be prominent in CARB's strategies as an immediate pathway to a zero emission future.

Thank you for your consideration, and please contact me or Sherrie Merrow at smerrow@ngvamerica.org or 303.883.5121 with any comments or questions.

Sincerely,



Daniel J. Gage
NGVAmerica President