4675 MacArthur Court, Suite 800
Newport Beach, California 92660
(949) 437-1000

www.cleanenergyfuels.com

Ryan Kenny
Senior Public Policy and Regulatory Affairs Advisor – Western U.S.

Clean Energy

The Honorable Mary Nichols and Members of the Board
Chair, California Air Resources Board
Post Office Box 2815
Sacramento, CA 95812

October 22, 2018

RE: *Item 18-8-7: San Joaquin Valley Supplement to 2016 SIP*

Dear Chair Nichols:

On behalf of Clean Energy, please consider our comments concerning the Board's consideration of the *San Joaquin Valley Supplement to the 2016 State Strategy for the State Implementation Plan*.

As North America's largest provider of renewable natural gas transportation fuel with over twenty-one years of leading industry experience, Clean Energy provides construction, operation and maintenance services for refueling stations nationwide. We have a deep understanding of the growing marketplace, and our portfolio includes over 535 stations in 43 states, including a significant presence of 165 stations in California.

With the San Joaquin Valley being one of the nation's most extreme non-attainment areas, and with the transportation sector the largest source of PM2.5 and NOx emissions, it is imperative that dirty diesel trucks be immediately displaced with cleaner heavy duty vehicles. As stated in the *Supplement,* "mobile sources emit over 85 percent of regional NOx emissions, with heavy heavy-duty diesel trucks as the single largest contributor." We believe it is important that funding be committed sooner than the proposed 2021 timeframe for all mobile source measures, especially the accelerated truck turnover measure. The goal of this proposed measure is "to provide incentive funding to accelerate the penetration of near-zero and zero-emission engines beyond the rate of natural turnover achieved through implementation of the other measures identified for on-road heavy-duty trucks and buses."

With the urgency to meet non-attainment goals and with near-zero heavy duty trucks available now, it is important to note current commercial ZEV technology is mired by cost, limited range, weight, durability, and infrastructure issues. Conversely, low-NOx technologies powered by natural gas in 8.9L and 11.9L engines are certified today, proven in the field, supported by existing infrastructure, and are far more cost-effective in price and operation.

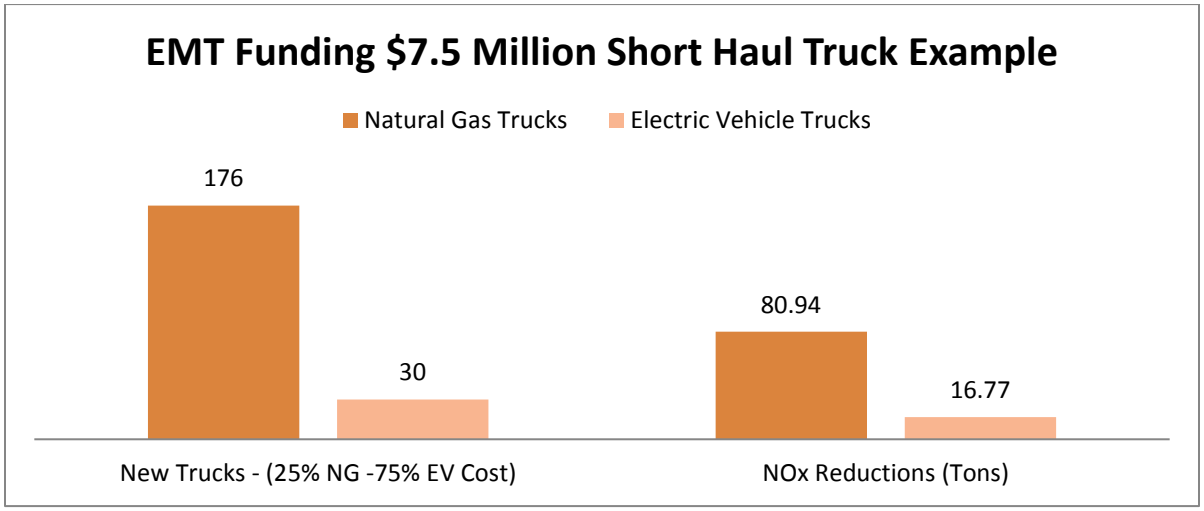
Providing immediate relief to communities that are already heavily burdened by ozone, particulate, air toxics, and carbon pollution should be embraced by the Air Resources Board as such measures would immediately help address air toxics goals and petroleum reduction targets while improving the opportunity to attain healthier federal ozone levels by 2023 and 2031. Consequently, such an inclusion of goods movement measures capable of deploying early low-NOx engine trucks will help make the case that both a state and federal low-NOx rulemaking is technically feasible by 2023 and 2024, respectively.

Cost-effectiveness

We understand securing necessary funding to meet the emissions goals is a challenge. With several state and local incentive programs identified in the *Supplement,* we believe it is the duty of the respective agencies to maximize the effectiveness of available funding. Grants should cover the same

percentage of the vehicle cost for all alternative fueled vehicles which perform below today's federal NOx emissions standard, and take into careful consideration an incremental cost incentive that is effective in increasing market demand.

An all-electric medium or heavy duty vehicle can **cost twice the amount** or more of a similar vehicle powered by a 0.02 NOx engine. Funding the more expensive EV and at a greater percentage will result in fewer vehicles being deployed and therefore fewer reductions in NOx emissions. Below is a chart illustrating these points by showing the benefits of a $7.5 million investment in 0.02 NOx vehicles versus that same investment in EVs:



Source: NGVAmerica compiled from Gladstien, Neandross and Associates Game Changer Report Data

Providing a 500% larger incentive (in terms of dollars) for an EV truck which has similar life-cycle NOx emissions as a 0.02 NOx truck would diminish the effectiveness of finite amount of available funding.

Thank you for considering our views.

Sincerely,

Ryan Kenny
Senior Public Policy & Regulatory Affairs Advisor – Western U.S.
Clean Energy

Cc: Board members, California Air Resources Board