



The Honorable Mary Nichols and Board Members  
 California Air Resources Board  
 Sacramento, CA 95812

April 22, 2020

**Re: AGENDA ITEM 20-4-3: Informational Update on the 2020 Mobile Source Strategy**

Dear Chairman Nichols and Honorable Members of the Board:

The 11 undersigned organizations, leaders in the effort to clean California's air and meet greenhouse gas emission reduction goals, and in the spirit of collaboration, would like to comment on the Mobile Source Strategy (MSS) update now under consideration. We urge the California Air Resources Board (CARB) to consider and support all technologies which can help achieve near- and mid-term clean air goals. We are concerned the staff presentation at the March 25<sup>th</sup> public workshop provides an inadequate draft plan that will be ineffective in reducing NOx emissions for at least another decade.

We strongly support the air quality, climate and petroleum reduction goals that the MSS identifies, as we believe it is critical to attaining the state's public health goals, improving conditions for disadvantaged communities, and transforming our current economy. Our comments also encourage staff to take a more technologically-neutral approach now and well beyond 2030. By doing so, all advanced clean technologies can play a role in helping the state meet its federal air quality attainment requirements and the state's petroleum reduction and greenhouse gas targets.

**LOOMING FEDERAL CLEAN AIR ACT ATTAINMENT DEADLINES**

During the December 2019 meeting in Los Angeles that focused on truck pollution on the I-710, South Coast Air Quality Management District's (AQMD) Executive Officer, Wayne Nastri, reminded those in attendance that the AQMD would likely have to file contingency measures for the agency's Air Quality Management Plan (AQMP) to U.S. EPA and that those measures could be rejected by an unsympathetic federal administration. Further, if EPA decides to reject AQMD's

alternative plans, it would trigger a federal implementation process that could carry substantial economic sanctions and the loss of local control. Such sanctions could include the loss of federal transportation funds, limits on port and other regional economic activities, and increased stationary source permitting requirements.

Such an outcome would be a significant economic liability for California and doesn't even take into consideration the current impaired health of regional populations breathing the nation's worst air quality. **Mr. Nastri was very clear that if AQMD could not start the process of removing legacy diesel trucks from Southern California's roads now, it would fall out of federal clean air attainment.** Pursuing clean air now with existing technology and in the future by pushing new technology is a win-win. Putting all of the state's policy eggs in the zero-emission basket is, in reality, allowing short-term air quality impacts to be left unmitigated.

### **FLAWED MSS APPROACH**

Slide 25 of the March 25 staff PowerPoint presentation articulated that "heavy-duty vehicles (above 14,000 lbs. GVWR) are responsible for 33% of statewide mobile source NOx and 16% of statewide mobile source GHG emissions." However, none of the subsequent suggested "strategies" under consideration included low NOx trucks, with it only going as far as "use of renewable fuels where electrification is not feasible." Notably, one strategy which WAS included is "cleaner diesel technology (i.e., low NOx diesel) starting in 2024." Again, there wasn't a reference to low NOx trucks.

Furthermore, on slide 27, it was proposed that in order to meet "long term goals," "a hyper ambitious ZEV penetration combined with accelerated turnover of older vehicles" would result in 21% less NOx by 2031. It also notes that low NOx trucks would achieve another 23% in NOx reduction. While both technologies are projected to combine for 44% in NOx reduction – with the federal attainment requirement being at least 55% - the proposal expressly and purposely omits low NOx as a "strategy." This is despite the previously adopted MSS having included the goal of transitioning 900,000 trucks from diesel to low NOx by 2031. The current proposed MSS strategy should include a list of all clean alternative technologies that can help meet the state's goals. Excluding certain technologies is counterproductive from both an environmental and economic standpoint. This is especially true considering the commercial readiness of heavy-duty electric vehicles is not expected for years. The MSS plan should take near-term attainment needs into account. This is compounded when considering the billions of dollars the state intends to invest that will not result in immediate, near-term emissions reductions.

### **LACK OF LOW NOx INCENTIVE PROGRAMS**

The MSS goal of transitioning diesel trucks to 900,000 low NOx trucks is fundamentally inconsistent with the deliberate omission of low NOx trucks from this draft strategy, and follows current funding decisions that eliminate incentive funding for low NOx trucks:

- The California Energy Commission (CEC) for the third consecutive year will not fund low NOx truck incentives from their Clean Transportation Program, which previously averaged about \$10 million annually;
- CARB staff proposed elimination of 8.9L and 11.9L engines from HVIP in the 2019-2020 Low Carbon Transportation Funding Plan before the Board stepped in and made sure the 11.9L was funded (but still eliminated the 8.9L);
- CARB staff is moving forward again this year with an identical proposal to permanently eliminate all low NOx truck funding from HVIP.

**With the low cost of diesel trucks and without any effective incentives to transition to clean heavy-duty low NOx trucks, diesel will continue to be the default technology of choice in the near-term.**

The emissions reduction needs of the South Coast and San Joaquin air basins, respectively, are a “primary driver” for the MSS. There is no doubt that both require urgent and significant NOx emissions reductions given their designations as the two most extreme non-attainment zones in the nation for the 8-hour ozone standard. Natural gas engines certified to the 0.02 g low-NOx value can run on both liquid and gaseous forms of renewable natural gas (RNG) blends. Propane natural gas engines certified to the 0.02 g low-NOx value can run on renewable propane. Further, natural gas engines, when operated on RNG from landfills, dairy farms etc., has a profound reduction on greenhouse gas emissions. In order to embrace and support the state’s desire to significantly transform the heavy-duty market to all forms of advanced renewable fuels, the updated MSS should avoid forward looking statements for specific fuels that may compliment a technology. If the document’s narrative is open to all fuel types, it will be much easier to build business confidence behind advanced technology strategies required by the state to meet federal attainment standards and state petroleum and carbon targets.

### **RECOMMENDATION**

For all of the above reasons, we strongly encourage CARB to include low NOx engines that meet a 0.02 g/bhp-hr NOx standard or better as an equal “strategy” to meet the state’s clean air goals. Not only does business confidence require certainty and clarity for years into the future, but it will be critical for the MSS to ensure that both low-NOx near zero emission strategies and zero tailpipe emission strategies have a long-term role in the state’s approach to clean air and enjoy equal funding opportunities.

Sincerely,

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