



2929 Allen Parkway, Suite 4100, Houston, TX 77019

October 21, 2019

Clerk of the Board
California Air Resources Board
1001 I Street
Sacramento, CA 95814

Via E-Submittal:

https://www.arb.ca.gov/lispub/comm/bcsubform.php?listname=fundingplanqip2019&comm_period=N

RE: Proposed Fiscal Year 2019-20 Funding Plan for Clean Transportation Incentives for Low Carbon Transportation Investments and the Air Quality Improvement Program

Trillium appreciates the opportunity to engage in the development of the Proposed Fiscal Year 2019-20 Funding Plan for Clean Transportation Incentives for Low Carbon Transportation Investments and the Air Quality Improvement Program (Funding Plan)¹. As a leading provider of Heavy-Duty transportation fuel and fueling infrastructure, we are particularly concerned with Appendix D- Heavy-Duty Investment Strategy (Appendix D)². We are committed to building the infrastructure needed to help the state achieve its decarbonization and clean air goals, including the deployment of zero and near-zero emission infrastructure. We are technology agnostic and support all forms of clean (low-carbon) transportation solutions including: hydrogen fuel cell, battery electric and renewable natural gas (RNG).

California will need to deploy a balanced mix of strategies that spur innovation in the transportation sector in order to achieve the State's ambitious climate and criteria pollutant goals. These strategies require a fundamental shift in the way we think about transportation and leveling the playing field to allow new technologies to establish a foothold in the market and ultimately become sustainable. We support a clean Heavy-Duty future which includes developing zero emission technologies and today's road-ready renewably-fueled Low NOx NG HD trucks. We want to work with CARB to ensure the long-term success of "all" of these technologies, not just a select few. It is for this reason, that we must oppose the proposed Funding Plan as released on September 20th.

Low NOx Heavy-Duty vehicles are a key strategy to delivery near-term air quality and public health benefits in both the San Joaquin Valley and South Coast air basins. With California's HD NG sector almost exclusively using RNG, the technology also offers the state a significant GHG reduction strategy.

Trillium feels CARB's desire to transition HVIP to an all-electric funding program is short sighted, and sacrifices near term air quality and clearly the most cost-effective carbon reductions for the HD transportation sector. Until there is a workable alternative funding program to transition the technology to, renewably fueled HD vehicles should be retained in the HVIP program. We are encouraged by the recent effort of CARB staff to work out real and significant issues with the Carl Moyer incentive program. These efforts, including a commitment to find an alternative pathway that doesn't include fleet scrappage requirements as they are defined today, are critical if a successful transition from HVIP is to occur. It cannot be overstated that without commercial remedies to non-voucher type funding programs, such as Carl Moyer, these programs simply will not work to facilitate a sustainable marketplace for alternative fuels. The reality is commercial economics need to pencil out for fleets, else regulating the change by mandate is the only way to facilitate a transition commercial fleets to a new technology. Absent favorable economics, which up to this point have

¹ <https://ww2.arb.ca.gov/sites/default/files/2019-09/fy1920fundingplan.pdf>

² <https://ww2.arb.ca.gov/sites/default/files/2019-09/fy1920fundingplan-appd.pdf>



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been supported by HVIP for HD Low-NOx NG trucks, the transition to this technology will slow or cease altogether. Low-NOx technology needs to be retained within HVIP.

California is leading the country and providing a platform for the successful deployment of Zero Emission Vehicles ("ZEV"), yet in the HD sector, road-ready technology that is cleaner than diesel, reduces GHG emissions with a carbon-negative fuel, helps with state Short-Lived Climate Pollutants and has been developed in conjunction with CARB needs to continue.. We welcome the opportunity to work with CARB and staff as we navigate this road together with the mutual goal end game in mind: Clean air for all Californians. If you have any questions, please contact me directly.

Sincerely,

/s/

Bill Zobel
Trillium