

**Southern California
Alternative Fuel Vehicle
EXPO and Natural Gas
infrastructure**

“State & Regulatory Drivers “

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Panel Moderator***

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Panel Perspectives from:

- **National Renewable Energy Lab**
- **CARB**
- **SCAQMD**

Scope of Panel discussion:

- Federal, State & Regional Drivers:
- Direct *Regulatory requirements*
- Indirect *Drivers:*
 - *Market demand incentives*
 - *OEM supply incentives*
 - *Shifts in Competitive Utility / Value*

Federal legislative drivers:

- **Positive:**
 - Federal Clean Air Act (extreme and severe NAA's)
 - CLEAR Act Incentives
 - EPACT mandate
 - Current – state & federal fleets
 - Under review for private & muni fleets
 - Low sulfur diesel regulations of EPA
- **Negative:**
 - ULS diesel tax incentive
 - “alternative fuel” designation initiatives
 - Biodiesel tax initiatives

Current Federal Incentives:

- Vehicles:

- IRS tax credit for hybrids (up to \$2,000)
- AFV luxury tax elimination
- TEA-21 Congestion Mitigation and Air Quality Improvement Program (CMAQ)

- Infrastructure:

- IRS tax deduction under “business expenses”, up to \$100,000

CLEAR ACT (S.760 -under consideration):

(Clean Efficient Automobiles Resulting from Advanced Car Technologies)

- Incentives based on technology & performance
- FCV's - \$4,000 base credit up to \$8,000, 10 years
- Hybrid vehicles - \$1,000 to \$3,000, 6 years, lower than average emissions
- Dedicated AFV's - \$2,500 to \$4,000 (if SULEV)
- BEV's - \$4,000 to \$6,000
- Medium & heavy duty vehicles > 26,000 GVW:
 - FCV's: up to \$40,000
 - AVF: up to \$32,000
 - Hybrids: up to \$24,000
- Fuel cost incentives: 50 ¢ / gallon gasoline equivalent (excludes ethanol)
- AFV Infrastructure:
 - 10 year extension of current \$100,000 tax deduction
 - additional tax credit up to \$30,000 for installation of public stations

Coalition Assembled for CLEAR ACT:

- **Ford**
- **Environmental Defense**
- **Natural Resources Defense Council**
- **American Council for an Energy Efficient Economy**
- **Toyota**
- **Natural Gas Vehicle Coalition**
- **Union of Concerned Scientists**
- **Propane Vehicle Council**
- **Honda**
- **Electric Vehicle Assoc. of America**
- **Methanol Institute**

State Statutory and Regulatory Drivers:

Key Statutes:

- CA CAA (extreme & severe non-attainment)
- AB 1493 (Pavley)

Key ARB rules:

- Current
 - Bus fleets
 - HD 2007 standards
- Pending:
 - Diesel sulfur rule
 - Idling buses
 - ZEV redesign
 - Phase III gasoline
 - GHG emission standards

State Vehicle Incentive Programs:

- ZEV Fleet incentives (up to \$11,000)
- CEC Efficient Vehicle Incentive Program (*in development*)
- Clean School buses (reconsideration possible for FY 2003-04?)
- Moyer HD (reconsideration possible for FY 2003-04?)
- SB 1782 (Thompson) vehicle license fee for EV's and ULEV AFV's
- HOV lane eligibility for single occupants for ILEV's (currently dedicated NG or EV's)
- Moyer Program
- ARB ICAT R&D program
- ARB NOx and PM Emissions Bank for Power Plant ERC's

Other State Incentives:

- *Infrastructure*

- CEC infrastructure incentives (currently fully subscribed)

- *Operating*

- State fuel tax incentives (Part 3, Div. 2)

SCAQMD fleet rules:

- Current
 - Transit buses
 - Refuse Collection
 - Taxi fleets
 - Light & Medium duty public fleet vehicles
 - Airport Ground Access
 - Heavy duty public fleets
 - Low Sulfur diesel fuel:
 - on-road & off-road vehicles by Jan., 2005
 - stationary by June, 2004
- Potential new rules:
 - Private fleet rules ?

Other SCAQMD Incentive Programs:

- Clean School buses (*reconsideration possible for FY 2003-04?*)
- Moyer HD Program (*reconsideration possible for FY 2003-04?*)
- Zero Emission Vehicle Incentive Program for Passenger Vehicles & light-Duty Trucks (current RFP)
- Production of LNG Fuel in the South Coast AQMD (current RFP)
- Rule 2202 - On-Road Motor Vehicle Mitigation Options Air Quality Investment Program

MSRC Regional Incentive Programs

- **Vehicle:**

- Coachella Valley Particulate Matter (PM 10) Reduction Program
- Purchase of Alternative Fuel Medium & Heavy-Duty Vehicles & Infrastructure
- Compressed Natural Gas School Bus Buydown Program
- On-Road & Off-Road Heavy-Duty Vehicle Diesel Pollution Reduction Program
- Alternative Fuel Transit Bus Program

- **Infrastructure**

- MSRC Alternative Fuel Infrastructure program

Other Local Incentives:

- Vehicles:

- Riverside Public Utility EV rebate (10% up to \$5,000)

- Infrastructure:

- LAX (LAWA) free EV parking & recharging
- City of Los Angeles, free metered parking
- Santa Monica, free metered parking
- LADWP home EV recharging discount of 2.5 ¢ / kWh
- LADWP incentives for public rechargers
- SCE discount for off-peak charging of 7.825 ¢ / kWh

*“First they ignore you,
Then they laugh at you,
Then they fight you,
Then you win.”*

Gandhi

*“The first law of nature
is not self-preservation
but other-preservation.”*

Martin Luther King Jr.