

July 6, 2016

Sam Wade
Chief, Transportation Fuels Branch
California Air Resources Board
1001 "I" Street
Sacramento, CA 95814

**Re: Pacific Gas and Electric Company's Comments on the California Sustainable
Freight Draft Action Plan**

Dear Mr. Wade:

Pacific Gas and Electric Company (PG&E) appreciates the opportunity to provide comments on the draft California Sustainable Freight Action Plan (Action Plan), which was published on May 3, 2016.

PG&E strongly supports California's clean energy goals and has made significant contributions to the state's progress in reducing emissions from the transportation sector as demonstrated through its own fleet, the largest alternative fuel fleet in the utility industry.

Overall, PG&E believes that the best path to achieving the state's long-range environmental goals—including the Governor's vision of a more efficient freight transport system—is through an integrated and flexible policy framework that optimizes sustainable and cost-effective emissions reductions in this, and all, sectors. PG&E continues to support policies and actions that encourage fuel decarbonization and alternative fuel use in the transportation sector.

PG&E provides the following comments in response to the Action Plan and looks forward to working with all involved State Agencies to enhance the Action Plan prior to its submittal to the Governor.

**I. VEHICLE TARGETS SHOULD BE AGGRESSIVE ENOUGH TO DRIVE CHANGE AND
ACHIEVE OVERALL GOALS**

The Action Plan sets broad targets for improving freight efficiency. In order to achieve California's zero-emission vehicle (ZEV) and near-zero emission vehicle (NZEV) goals, the targets in the Action Plan must be ambitious enough to encourage impactful change across all transportation sectors.

The Action Plan establishes a goal to deploy “over 100,000 freight vehicles and equipment capable of zero emission operation ... by 2030.”¹ PG&E commends this initial proposal but suggests that the state strengthen the Action Plan’s strategies in order to achieve the reductions needed from the transportation sector in support of the State’s overall environmental goals, which may require targeting a more ambitious percentage of goods-movement equipment for ZEV or NZEV deployment.

For these reasons, state agencies should continue to work with stakeholders to establish targets for the freight system that best achieve California’s emissions, efficiency, and economic goals.

II. SUSTAINABLE FUNDING

Regarding Appendix C: State Agency Actions, PG&E encourages the State Agencies to seek consistent, multi-year funding as the Action Plan moves beyond pilot projects. To most effectively encourage the uptake of alternatively-fueled clean vehicles and the development of necessary infrastructure, funding sources must be reliable over a multi-year period as starting up programs and procuring equipment are multi-year endeavors.

III. HYDROGEN INFRASTRUCTURE

Appendix C to the Action Plan additionally outlines recommended plans and actions for modern freight corridors² and addresses both electric and hydrogen infrastructure, albeit, separately from each other. PG&E seeks additional clarity on the State’s view of the relationship between hydrogen refueling and transportation electrification infrastructure plans and policy development. PG&E recommends jointly developing hydrogen and electric policy and infrastructure to allow for maximum adoption of alternative fuels and further the shared goal of transportation sector decarbonization while maximizing clarity to industry and affordability to customers.

IV. METHANE REDUCTION AND OPPORTUNITIES FOR CLEANER TRANSPORTATION FUELS

PG&E remains committed to working with bioenergy developers and views renewable natural gas (RNG) as a potential pathway for California to achieve its climate goals.

PG&E supports a broad definition of RNG in an effort to maximize potential ZEV and NZEV options for the freight sector. The Game Changer Technical White Paper offers an example of RNG that allows for the broadest interpretation of the fuel and in turn, the broadest environmental benefit to the sector: “RNG is a gaseous mixture of methane and other

¹ California Sustainable Freight Action Plan, p 9. Website:

http://www.casustainablefreight.org/files/managed/Document/175/CSFAP_Main%20Document_DRAFT_050216%20v2.pdf

² California Sustainable Freight Action Plan, Appendix C, p C-9. Website:

http://www.casustainablefreight.org/files/managed/Document/178/CSFAP_AppendixC_DRAFT_05022016.pdf

compounds that is produced from renewable sources, using either biological or chemical processes.”³

Further, PG&E does not see discussion in the Action Plan of natural gas as a viable option for NZEV technologies in the freight sector. PG&E recommends considering natural gas as part of the State’s Natural Gas Roadmap.⁴ The use of natural gas as an alternative to diesel fuel provides near-term air quality benefits as well as GHG remission reduction benefits. The emission benefits in the light- and heavy-duty transportation sectors from natural gas need to be supported by strong incentives from state government to encourage their broad adoption.⁵

V. CONCLUSION

Thank you for the opportunity to submit these comments on the California Sustainable Freight Draft Action Plan. Please feel free to contact me if you have any questions or concerns.

Sincerely,

/s/

Wm. Spencer Olinek

³ Game Changer Technical White Paper, p. 9. Website:

http://ngvgamechanger.com/pdfs/GameChanger_FullReport.pdf

⁴ California Sustainable Freight Action Plan, Appendix C, p C-43-44. Website:

http://www.casustainablefreight.org/files/managed/Document/178/CSFAP_AppendixC_DRAFT_05022016.pdf

⁵ Game Changer Technical White Paper, p. 146. Website:

http://ngvgamechanger.com/pdfs/GameChanger_FullReport.pdf