



California Energy Commission
2009 Integrated Energy Policy Report Staff Workshop
August 11, 2009 9:00 am – 5:00 pm Hearing Room A
AB 118: Alternative and Renewable Fuel and Vehicle Technology Program

Assembly Bill (AB) 118 (Núñez, Chapter 750, Statutes of 2007) created the Alternative and Renewable Fuel and Vehicle Technology Program, which authorizes the California Energy Commission to distribute up to \$120 million per year over seven years to eligible public and private entities to “develop and deploy innovative technologies that transform California’s fuel and vehicle types to help attain the state’s climate change policies.”

The statute, amended by AB 109, directs the Energy Commission to create an advisory committee to help create an Investment Plan setting priorities and opportunities for the program. The investment plan describes how funding will complement existing public and private investments, including state and federal programs. The Energy Commission will use the Investment Plan as a guide for awarding funds and will be updated annually.

Eligibility

The statute allows the Energy Commission to use grants, loans, loan guarantees, revolving loans, and other appropriate financial measures to provide funding to a broad suite of entities, including public agencies, private businesses, public-private partnerships, vehicle and technology consortia, workforce training partnerships and collaboratives, fleet owners, consumers, recreational boaters, and academic institutions.

The statute provides a wide array of activities and projects that are eligible to receive funding under the program. The Energy Commission may select projects to:

- Develop and improve alternative and renewable low-carbon fuels.
- Optimize alternative and renewable fuels for existing and developing engine technologies.
- Produce alternative and renewable low-carbon fuels in California.
- Decrease the overall impact of an alternative and renewable fuel's life-cycle carbon footprint and increase sustainability.
- Expand fuel infrastructure, fueling stations, and equipment.
- Improve light-, medium-, and heavy-duty vehicle technologies.
- Retrofit medium- and heavy-duty on-road and non-road vehicle fleets.
- Expand infrastructure connected with existing fleets, public transit, and transportation corridors.
- Establish workforce training programs, conduct public education and promotion, and create technology centers.

Funding

AB 118 authorizes the Energy Commission to provide approximately \$120 million annually over seven years to develop these new fuels and technologies.

Program Solicitation

In the initial Investment Plan (<http://www.energy.ca.gov/2009publications/CEC-600-2009-008/CEC-600-2009-008-CMF.PDF>) and in subsequent investment plans, the Energy Commission will focus on and leverage technologies that show the most promise and market potential, and will balance that focus with the need to have a robust portfolio approach to technology development. .

The Energy Commission's first program grant solicitation (*PON-08-010 - American Recovery and Reinvestment Act (ARRA) of 2009 Cost Share: Alternative and Renewable Fuel and Vehicle Technology Program*), released April 22, 2009, was focused on entities applying to the federal government under the ARRA for the funding of transportation projects.

Although the first round of grant solicitations has passed, there is the possibility of a second round for the Clean Cities ARRA Funding Opportunity in September of 2009. If the U.S. Department of Energy (DOE) has a second round, the Energy Commission may have another Clean Cities program solicitation. For additional information, visit the DOE's financial opportunities solicitations for the *Clean Cities Fiscal Year 2009 Petroleum Reduction Technologies Projects for the Transportation Sector, Funding Opportunity DE-PS26-09NT01236-00* at <http://www.afdc.energy.gov/cleancities/progs/solicitations.php>. Current and future Energy Commission solicitations for this program can be checked periodically at <http://www.energy.ca.gov/contracts/index.html>.