

**Item #6**  
**October 10, 2012**  
**Energy Commission Business Meeting**

**Alternative and Renewable Fuel and Vehicle Technology Program**  
**FY 2011-2012 Funding Modification and FY 2012-2013 Funding Reduction**

**Contact:** Charles Smith, (916) 654-4770

**Action Requested of Commission:** Approve the necessary funding adjustments for the 2011-2012 and 2012-2013 Investment Plans for the Alternative and Renewable Fuel and Vehicle Technology Program (ARFVTP).

**Business Meeting Date:** October 10, 2012.

**Background:** Modifications to both the 2011/12 and 2012/13 Investment Plans are being requested as identified in the attached tables. Specifically:

1. The 2011-2012 Investment Plan allocated \$500,000 for the deployment of propane fueling infrastructure. In the most recent solicitation for alternative fuel infrastructure (PON-11-602), the Energy Commission received no applications for this category. Staff is requesting these funds to be redirected to the charging infrastructure category. Current, unfunded projects in this category exist to utilize this additional funding.
2. The 2011-2012 Investment Plan allocated \$500,000 to support "Sustainability Studies." However, no relevant projects in this field have been identified that could utilize these funds. Staff is requesting these funds to be redirected to the "Develop and Demonstrate Advanced Technology Medium- and Heavy-Duty Vehicles" category. Current, unfunded projects in this category exist to utilize this additional funding.
3. The 2012-2013 Investment Plan Update allocated a combined \$100 million for all categories. However, the Budget Act of 2012 (AB 1464, Blumenfield, Chapter 21) reduced the Energy Commission's ARFVTP appropriation by \$10 million, to \$90 million of project funding. Therefore, the total funding allocation within the 2012-2013 Investment Plan Update will need to be reduced by a corresponding amount. Staff requests approval to evenly reduce all funding categories by 10 percent.

**Justification for Action Requested:** These funding modifications are necessary to allow ARFVTP to utilize program funds effectively and within the established fiscal deadlines that govern the program. These changes also allow ARFVTP staff to prepare solicitations and funding awards based on the revised investment plan allocations.

## MODIFICATIONS TO FUNDING TABLES

FY 2011-2012 Investment Plan Modification (in \$ millions)

	<b>Project/Activity</b>	<b>Original Allocation</b>	<b>Modified Allocation</b>
<b>Plug-In Electric Vehicles</b>	Plug-In Electric Vehicle Readiness	1	1
	Charging Infrastructure	7	7.5
<b>Hydrogen</b>	Fueling Infrastructure	8.5	8.5
<b>Natural Gas</b>	Fueling Infrastructure	8	8
<b>Propane</b>	Light-Duty Vehicle Incentives	1	1
	Fueling Infrastructure	0.5	0
<b>Gasoline Substitutes</b>	Advanced Ethanol and Gasoline Substitute Production Plants	8	8
	E85 Fueling Infrastructure	5	5
<b>Diesel Substitutes</b>	Advanced Diesel Substitute Production Plants	8	8
<b>Biomethane</b>	Pre-Landfill Biomethane Production	8	8
<b>Medium- and Heavy-Duty Vehicles</b>	Deployment Incentives for Natural Gas Vehicles	12	12
	Deployment Incentives for Propane Vehicles	3	3
	Develop and Demonstrate Advanced Technology Medium- and Heavy-Duty Vehicles	8	8.5
<b>Innovative Technologies, Advanced Fuels, and Federal Cost-Sharing</b>	Innovative Technologies, Advanced Fuels, and Federal Cost-Sharing	3	3
<b>Manufacturing</b>	Manufacturing Facilities and Equipment	10	10
<b>Workforce Training and Development</b>	Workforce Training and Development Agreements	6.5	6.5
<b>Market and Program Development</b>	Sustainability Studies	0.5	0
	Technical Assistance and Analysis	2	2
<b>Total</b>		<b>100</b>	<b>100</b>

FY 2012-2013 Investment Plan Modification (in \$ millions)

	<b>Project/Activity</b>	<b>Original Allocation</b>	<b>Modified Allocation</b>
<b>Alternative Fuel Production</b>	Biofuel Production and Supply	20	18
<b>Alternative Fuel Infrastructure</b>	Electric Charging Infrastructure	7.5	6.75
	Hydrogen Fueling Infrastructure	11	9.9
	E85 Fueling Infrastructure	1.5	1.35
	Natural Gas Fueling Infrastructure	1.5	1.35
<b>Alternative Fuel and Advanced Technology Vehicles</b>	Natural Gas Vehicle Incentives	12	10.8
	Propane Vehicle Incentives	2	1.8
	Light-Duty PEV Incentives	5	4.5
	Medium- and Heavy-Duty Advanced Vehicle Technology Demonstration	6	5.4
<b>Emerging Opportunities</b>	Innovative Technologies, Advanced Fuels and Federal Cost-Sharing	5	4.5
<b>Manufacturing</b>	Manufacturing Facilities, Equipment and Working Capital	20	18
<b>Workforce Training and Development</b>	Workforce Training and Development Agreements	2.5	2.25
<b>Market and Program Development</b>	Regional Alternative Fuel Readiness and Planning	3	2.7
	Centers for Alternative Fuels and Advanced Vehicle Technology	3	2.7
	<b>Total</b>	<b>100</b>	<b>90</b>