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To whom it may concern: Clean Energy appreciates the opportunity to provide comments and recommendations for the proposed New York energy plan (the "Plan"). Over the past five years, Clean Energy, in partnership with the State of New York, has worked to build a sustainable marketplace for natural gas vehicles regionally and nationally. Though we have met many obstacles and roadblocks, together we have achieved a great level of success -from making 11 state-owned CNG stations available to the public to expanding the Hauppauge CNG station so that the first community East of California to convert all its solid waste collection trucks to natural gas-power is sufficiently supported. The later success has served as a model for the rest of Long Island and the Eastern United States. Officials from as far away as Maryland and Montreal have come to see this facility to learn how they too can implement similar projects that promote low carbon fuel use, foreign oil displacement, and clean air goals. New York's leadership in this regard is very unique and has provided great results. Clean Energy is, however, disappointed that the Plan failed to recognize the important role that natural gas, like electricity, can play as a clean, low carbon, and affordable transportation fuel in the State's future. We feel this is a missed opportunity to support a growing, sustainable market for natural gas vehicles within the State, and maximize the utilization of New York's natural gas resources within its own borders- a potential boon for reducing the State's energy dependence with a potential for creating thousands of green jobs. In the Plan, natural gas is considered principally as a fuel for power generation with marginal importance as a heating fuel, and no mention as a transportation fuel. To the contrary, natural gas is the most utilized fuel in New York other than diesel or gasoline in the transportation sector, and is being recognized by many large fleets in the State of New York and nationwide as the alternative fuel of choice. That is why Clean Energy feels that the absence of a natural gas discussion for transportation is concerning. As compared to any other fuel or vehicle technology today, natural gas has the greatest near term potential to provide an affordable fuel that reduces both criteria air pollutants and greenhouse gases, displaces foreign oil imports, and has a great potential to support the state's economy through the creation of green jobs. In a recent Green Car Congress article (10/7/09), it highlighted a Center for Automotive Research study of economic and environmental benefits of fleet transitions to clean vehicle technologies, and specifically references AT&T's announcement to replace 15,000 of its fleet vehicles to hybrid (7,000) and natural gas (8,000). The article states "Using AT&T's vehicle replacement program (a 10-year program to buy or convert 15,000 of its vehicles to cleaner technology) as a case study, CAR (Center for Automotive Research) estimated the impact of buying or converting 15,000 vehicles to cleaner technology over a 10-year period. Replacing fleet vehicles

powered by standard internal combustion engines with either hybrid vehicles or vans and trucks converted to CNG could reduce gasoline consumption by more than 49 million gallons during the next 10 years and trim carbon dioxide emissions by 211,000 metric tons total over that period. In addition, the AT&T replacement program will help support an average of 1,000 vehicle-manufacturing related jobs each year from 2009-2013." In consideration of the Plan's five main objectives - energy reliability, greenhouse gas reductions, affordability, environmental and health risks reduction, and reducing the State's energy dependence - natural gas as a transportation fuel can achieve all five desired results and more. However there are some key actions that should be undertaken to enhance the potential of natural gas as a transportation fuel in New York's future. Such recommendations are as follows: 1. Natural Gas Pipeline and Supply Reliability As the Plan indicates, natural gas in the downstate region is pipeline constrained. This does not mean there isn't enough natural gas, but that the pipeline infrastructure is inadequate to support current peak loads, which has resulted in expensive pipeline capacity charges for those customers requiring firm supplies of natural gas. This is further burdened by the fact that no new natural gas storage facilities have been built in New York in decades as a result of an overly broad moratorium on liquefied natural gas (LNG) facilities construction. As the plan contemplates, the development of small to medium-sized natural gas liquefaction and storage facilities within New York will relieve stress on the current pipeline system and could reduce energy costs. In addition, Clean Energy believes that investments in the natural gas pipeline system and our ability to construct LNG production and storage facilities in New York will support critical fleet transitions to natural gas! as a vehicle fuel by making LNG fuel available for heavy-duty trucks as such actions will maximize the direct utilization of New York's natural gas resources. We recommend the immediate enactment of legislation and/or administrative policies that would allow for the development and permitting of small to medium-scale LNG production/storage facilities and that support the expansion of New York's natural gas pipeline network. 2. Reduce Greenhouse Gases (GHG) Natural gas enjoys the lowest carbon intensity of any fossil fuel in the marketplace. Numerous studies performed by the California Air Resources Board, the California Energy Commission, amongst many others, have shown that the direct use of natural gas in vehicles can reduce GHG emissions by up to 21 and 30 percent versus diesel and gasoline, respectively, on a lifecycle or well-to-wheels basis. In addition, the promise of developing vehicular bio-methane (renewable natural gas) resources from anaerobic digesters, landfills, waste-water treatment facilities, and other cellulosic processes, can produce lifecycle GHG benefits well beyond the nation's 2050 goal of an 83 percent reduction. For these reasons, natural gas should not and cannot be ignored while considering policies that would promote New York's low-carbon fuel future. In California, the state is finalizing the nation's first low-carbon fuel standard (LCFS) in December of this year. The LCFS will require that! vehicle fuels reduce their carbon intensity by 10 percent or more by 2020 with an implementation start date of 2011. Domestic natural gas, in compressed, liquefied or renewable form, is a clear winner in California's overall LCFS strategy and that is why domestic

natural gas and biomethane has largely been given a compliant status for 2020 performance today. Clean Energy supports the development of a Low Carbon Fuel Standard in New York and/or the Northeast region and requests to be an active stakeholder in the development of this important public policy process.

3. Reduce Energy Costs and Increase Competitiveness Clean Energy was founded in 1997 because natural gas is a domestic fuel that is significantly cheaper and cleaner than gasoline and diesel. All three of these reasons remain true today, however one has become more prominent. Fleets using natural gas as a transportation fuel are afforded substantial financial benefits. Natural gas as a commodity is substantially cheaper than oil (currently at a 15:1 energy cost ratio), federal tax incentives make purchasing natural gas vehicles more affordable, and vehicle operational costs are less or on par with conventionally fueled vehicles. In many cases, our fleet customers are enjoying a \$0.50 to a \$1 per equivalent gallon savings enabling them to recoup their vehicle investments within a year. Now this does not always work for every fleet, but considering niche markets like transit, solid waste, airports and regional trucking the economic benefits make a strong business case for natural gas. To further the economic advantages and marketplace growth for vehicular natural gas, Clean Energy recommends the extension of New York's alternative fuel refueling property tax credit and the state exemption for natural gas from sales and use taxes beyond 2010 and 2011, respectively.

4. Reduce Public Health and Environmental Risk The Plan broadly looks at light-duty vehicles and future technology that will increase fuel efficiency for this class of vehicles and over-the-road trucks while at idle. However, the Plan misses the dirtiest, most inefficient vehicles on the road today: medium- and heavy-duty trucks. In 2006, the Town of Smithtown became a national leader by reducing GHG emissions, criteria air pollution, their foreign oil dependence while protecting their taxpayer's bottom-line by requiring that their solid waste collection contractors to use natural gas trucks. The 22 trucks, which have been on the road since early 2007, have reduced nearly 150 tons of criteria air pollutants and have led other towns like Brookhaven and Huntington in New York and Maryland (Montgomery County) to follow suit. By the beginning of 2010, there will be nearly 150 natural gas powered solid waste trucks on Long Island, which provide an air quality benefit equivalent to the removal of 48,750 vehicles from New York's roads, and the displacement of 1.25 million equivalent gallons of diesel annually. To strengthen the Plan, we recommend expanding the Plan's scope to consider policy initiatives that transition high polluting and high fuel use fleets, like solid waste, trash, and regional trucking, to low-carbon alternatives, like natural gas.

5. Reduce New York's Energy Dependence New York sits on the Marcellus Shale, one of the largest natural gas resources ever discovered in the country. The safe, environmentally-sound extraction of this resource will provide clean, low-carbon natural gas for New York's populous regions, and high-paying green jobs in its rural areas where the shale principally exists. New York's energy plan should provide substantial support to bring this fuel to New York and regional markets, as well as, expand the marketplace for natural gas to sustain the value of the commodity and green job creation in this sector. Natural gas vehicles are receiving serious consideration by states with existing shale resources as an

opportunity to expand state revenues while achieving cleaner air, lower GHGs, and greater energy independence for their constituents. Considering the solid waste example mentioned, just three Long Island towns incorporation of a natural gas strategy will displace approximately 1.25 million equivalent gallons of diesel annually. With an estimated 7,500 solid waste vehicles in New York, the potential market for displacement exceeds 50,000,000 gallons annually. Clean Energy recommends that New York develop public policy that supports the direct use of natural gas in vehicles with a heavy emphasis on high fuel use, high mileage commercial and government fleets through incentives and mandates. Clean Energy appreciates the opportunity to provide comments into the public record. We look forward to working closely with NYSERDA and the state energy planning board and to the Plan's eventual implementation. If you or the members of the state energy planning board have any questions or require clarifications, please contact Todd Campbell, our Director of Public Policy, at (562) 493-2804 or Mark Riley, our General Manager-Eastern US, at (603) 318-6817.