

July 23, 2010

EPA Docket Center (EPA/DC)
Air and Radiation Docket, Mail Code 2822T
1200 Pennsylvania Avenue, NW
Washington, D.C. 20460

Attention: Docket ID No. EPA-HQ-OAR-2009-0299

RE: Clean Alternative Fuel Vehicle and Engine Conversions, Proposed Rule,
75 Fed. Reg. 29606 (May 26, 2010).

Ladies and Gentlemen:

The Natural Gas Industry Transportation Collaborative (“Collaborative”) is pleased to submit for your consideration the following comments on the proposed rule of the Environmental Protection Agency (“EPA”) on *Clean Alternative Fuel Vehicle and Engine Conversions*, 75 Fed. Reg. 29606 (May 26, 2010). The Collaborative brings together energy producers represented by America’s Natural Gas Alliance (“ANGA”)¹ and local gas distribution utilities represented by the American Gas Association (“AGA”)² in an effort to assist the nation in its dual goals of reducing dependency on foreign sources of energy and promoting the use of cleaner energy sources for essential needs such as transportation.

The Collaborative seeks to bring attention to the low-cost, low-emission properties of natural gas as a solution to reducing our nation’s dependence on foreign-sourced and high-carbon transportation fuels. Natural gas-powered vehicles (“NGVs”) in use today are helping to improve air quality by displacing petroleum-powered cars, vans, trucks and buses that contribute about three-fourths of the carbon dioxide pollution found in urban areas. At the same time, these vehicles are displacing national use of oil – about 70 percent of which is imported – with an abundant, domestic resource.

Compressed natural gas (“CNG”) after-market conversion systems are an integral part of achieving these goals, and EPA equipment certifications are fundamental to the use of such systems. The Collaborative fully supports federal emission certification requirements as necessary for the advancement of clean air systems. However, the current costly and lengthy certification process has inadvertently stifled after-market growth. We applaud EPA’s willingness to move toward a more rational and cost-

¹ America’s Natural Gas Alliance represents 34 of the nation’s leading independent natural gas exploration and production companies. ANGA members are dedicated to increasing the appreciation of the environmental, economic and national security benefits of clean, abundant, American natural gas. For more information please visit www.anga.org.

² The American Gas Association, founded in 1918, represents 195 local energy companies that deliver clean natural gas throughout the United States. There are more than 70 million residential, commercial and industrial natural gas customers in the U.S., of which 91 percent — more than 64 million customers — receive their gas from AGA members. AGA is an advocate for local natural gas utility companies and provides a broad range of programs and services for member natural gas pipelines, marketers, gatherers, international gas companies and industry associates. Today, natural gas meets almost one-fourth of the United States’ energy needs. For more information, please visit www.aga.org.

effective certification process while simultaneously promoting alternative fuel system viability and emissions standards.

The overarching goal of the proposed rule should be to increase the use of natural gas as a transportation fuel by putting more NGVs on the road consistent with improved air quality. EPA's certification process should promote the conversion of vehicles and engines to use natural gas while at the same time ensuring that the vehicles and engines remain clean throughout their useful lives. The Collaborative offers the following recommendations to help EPA achieve these goals.

The Collaborative supports the proposed streamlined procedures for new vehicle conversions. In order to increase the use of NGVs as fleet vehicles, conversion kits must be available to the market soon after the introduction of the new vehicle model. Receiving EPA certification at or near the end of a vehicle manufacturer's production cycle limits the ability to order and purchase properly specified fleet vehicles. Instead, fleet purchasers should be able to purchase a new NGV with the kit installed by either the original equipment manufacturer ("OEM") or a certified installer. The Collaborative, therefore, recommends that EPA consider additional steps such as requiring OEMs to release engine power-train and computer data information early enough in the process to allow conversion manufacturers to design, test, manufacture, and make conversion kits available for sale within the same model year as the original vehicle. If the OEMs expedite the release of engine information, conversion kit manufacturers could develop and obtain approval of their kits prior to the annual ordering process. This would allow fleet purchasers to properly budget for new CNG vehicle acquisitions and increase annual orders.

The Collaborative also recommends that EPA consider ways to reduce certification costs such as waiving renewal fees and allowing for the certification of engine families. If no significant changes to engine emission systems have been made by the manufacturer from one year to the next, renewal fees for the certification should be waived. In that case, reducing the cost of certification would allow for increased use of NGVs without compromising air quality improvement or safety. In addition, EPA should consider allowing automobile and conversion manufacturers the flexibility to obtain a single certification for an entire engine family. Models in the same GVWR class at the same emissions level should be able to share a single certification. Again, a single certification process for an engine family would help reduce cost and promote more CNG conversions without adversely impacting air quality or safety. The Collaborative also urges EPA to adopt procedures that would allow manufacturers the option of paying fees at the end of each quarter or annually based on the number of vehicles actually sold under a certificate as opposed to upfront fees for expected vehicle sales. The uncertainty of cost recovery, if expected sales do not materialize, acts as a disincentive for conversion kit manufacturers.

In addition, the Collaborative urges EPA to provide clear guidance regarding the legality of converting vehicles in states that have adopted the California Air Resources Board regulations.

The Collaborative opposes unnecessary testing requirements, such as US06 testing (which is not currently required for OEM fuel vehicles) and evaporative testing for dedicated CNG vehicles. CNG conversion kit manufacturers should be subject to only those tests required for OEMs that are relevant to the types of systems being installed.

CNG burns much cleaner than gasoline. If OEMs are not required to perform US06 testing for gasoline, then testing CNG would simply add costs without any environmental or safety benefits. The tests are unnecessary and would deter companies from performing conversions.

The Collaborative recommends that EPA consider proposing ways to make it easier for mixed-fuel vehicles to be certified. In mixed-fuel vehicles (e.g., that burn both diesel fuel and CNG simultaneously), the injection of CNG into the engine instead of diesel fuel significantly reduces the CO₂ emissions and the remaining diesel burns cleaner. For certification purposes, the percentage of CNG in the mix should be irrelevant as long as the resulting emissions from the fuel mixture are cleaner after the conversion.³

The Collaborative requests that EPA explicitly restate the rule that simply converting a vehicle does not constitute tampering and should not void the OEM warranty. Vehicles and engines that retain acceptable levels of emission control after conversion should not be considered to have been tampered.

The Collaborate is convinced that none of the improvements recommended herein will in anyway compromise the stellar safety record of the natural gas vehicle industry. The intent is not to cut corners but to cut inappropriate and unnecessary requirements that add costs without contributing to the safety and environmental benefits of NGVs. Eliminating these unnecessary costs removes time-consuming, costly hurdles that are currently a choke point to wider adoption and associated benefits commensurate with NGV proliferation.

Respectfully submitted,

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³ Historically, NGVs have benefitted from incentives driven by public policy support to reduce carbon and toxic emission, particularly for regional air districts that were out of compliance for ozone which is driven by NOx emissions. These competitive incentives are based on cost per ton of NOx reductions, and are necessary to offset first-cost premiums of NGVs. Natural gas as a transportation fuel, however, cannot compete on its green attributes alone and must make economic sense for fleet operators as well. Until greater adoption is achieved and mass production drives prices closer to mainstream, diesel and heavy-duty gasoline applications incentives are needed to bridge the gap. It is too soon to compromise the capability of natural gas to certify cleaner-than-baseline fuels, unless in doing so the technology cost drops to that of mainstream diesel and gasoline. Lifecycle cost justification based entirely on fuel-cost savings narrows the field to only very high mileage fleets.