

HVIP Low NOx + RNG Requirement

Overview

- » For Low NOx Engine Incentives administered through HVIP, a Renewable Natural Gas (RNG) contract is now required.¹
- » RNG is natural gas derived from the decomposition of organic matter, e.g. dairy manure, landfills, wastewater.
- » Like fossil natural gas, RNG may be injected into the pipeline and sent to any pipeline-connected CNG or LNG station.
- » The RNG contract must cover 100% of planned fuel use for 3 years for vehicles requesting vouchers.
- » In most cases, RNG contracts should be simple to put in place and cost no more than existing NG fuel.
- » Under the requirement, customers may use contracted RNG fuel with other fleet vehicles and still be in compliance.

¹ [HVIP Implementation Manual](#) (April 4, 2017)

More Information:

Ryan Schuchard, CALSTART at 626-744-5606 or rschuchard@calstart.org

Working Document – June 16, 2017

Copyright 2017 CALSTART

HVIP Low NOx + RNG Requirement

Features for Ease and Simplicity

- » The key required documentation is simply a copy of the contract and a memo outlining the projected level of renewable fuel use with name of fuel provider
- » Ongoing validation is done via existing annual questionnaire—no additional steps are needed
- » Customers may use contracted RNG fuel with any vehicles in fleet
- » RNG providers have up to one year to make up deficits between RNG “ordered” and RNG delivered in case of supply interruptions

¹ Customer grants permission to RNG provider to validate RNG volumes contracted and delivered to HVIP administrator upon request; RNG provider agrees to provide the necessary information.

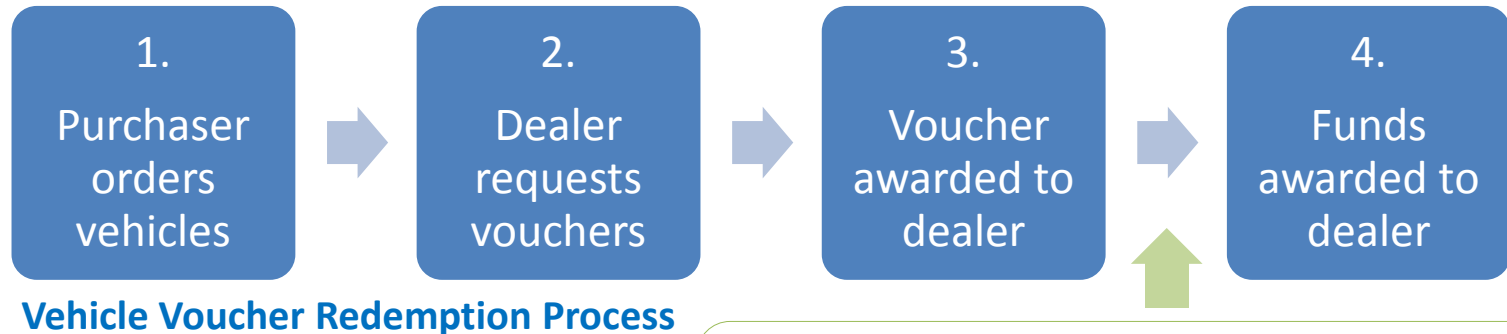
More Information:

Working Document – June 16, 2017

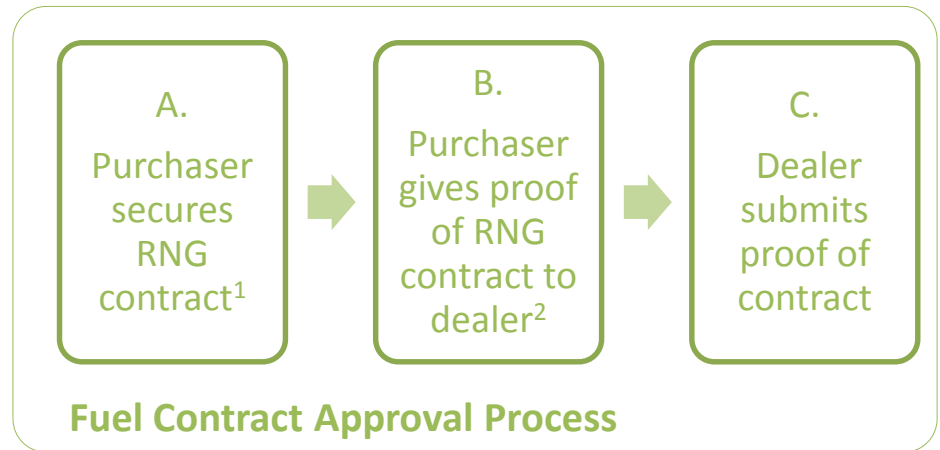
Ryan Schuchard, CALSTART at 626-744-5606 or rschuchard@calstart.org Copyright 2017 CALSTART

HVIP Low NOx + RNG Requirement

Illustrative Voucher Redemption Process



» Dealer may submit proof of purchaser’s RNG contract at any time prior to awarding of funds



1 A list of participant providers is available

2 Proof of contract includes (1) copy of contract and (2) note with estimated fuel use

More Information:

Ryan Schuchard, CALSTART at 626-744-5606 or rschuchard@calstart.org

Working Document – June 16, 2017

HVIP Low NOx + RNG Requirement

Roles and Responsibilities

Customers (Fleets)

- Establish contract with fuel provider
- Provide memo noting renewable fuel commitment to dealer¹
- Affirm continuation of contract in yearly questionnaire

Vehicle Dealers

- Provide information to fleet customers about renewable fuel requirements
- Submit customers' contract and memo when processing voucher request

RNG Providers²

- Provide contract to fuel one or more vehicles' demand via volumetric commitment to 100% RNG for 3 years
- Commence delivery within 60 days

¹ Template available

² Those listed as "Participant providers"

More Information:

Ryan Schuchard, CALSTART at 626-744-5606 or rschuchard@calstart.org

Working Document – June 16, 2017

Copyright 2017 CALSTART

HVIP Low NOx + RNG Requirement

RNG Participant Providers

Organization	Name	Email	Phone
ampCNG	Chad Schlaepfer	cschlaepfer@ampcng.com	(303) 842-9724
Clean Energy*	Brandon Price	brandon.price@cleanenergyfuels.com	(949) 437-1261
Element Markets	Sydney Akuto	sakuto@elementmarkets.com	(516) 455-0606
ReFuel Energy	Sean Moen	sean@refuelep.com	(916) 288-2800
Shell Energy	Tom Moffet	thomas.moffett@shell.com	(858) 526-2187
Trillium*	Allen Nielsen David George	allen.nielsen@loves.com DLGeorge@trilliumcng.com	(801) 231-9684 (405) 302-6500
TruStar	Rob Strange	rstrange@trustarenergy.com	(909) 217-0990

* Operate public RNG station networks.

- » Participant Providers have been briefed on the RNG requirement and have agreed that they can (a) provide contracts to fully fuel one or more vehicles' expected demand for three years via a volumetric commitment to 100% RNG, and (b) commence delivery of RNG within 60 days.
- » All providers can supply RNG to fleets' behind-the-gate filling stations and/or fleet-dedicated RNG in other CNG filling stations.
- » The above list is a working list that may grow over time. RNG providers who wish to become Participant Providers are invited to contact CALSTART.

More Information:

Working Document – May 22, 2017

Ryan Schuchard, CALSTART at 626-744-5606 or rschuchard@calstart.org Copyright 2017 CALSTART

Appendix

HVIP Low NOx + RNG Requirement

Formal Requirement Language¹

- » For Low NOx Engine Incentives funded by GGRF through HVIP, a renewable fuel contract, and other additional information requested by CARB, will be required before a voucher is paid.
- » The renewable fuel contract must be for 3 years or more and require the use of 100 percent renewable fuel for new vehicles equipped with low NOx engines or existing vehicles repowered with low NOx engines.
- » The 3 year renewable fuel contract must cover the vehicle for 3 years once the vehicle is placed into service or the repowered vehicle is placed back into service.
- » The fuel contract will be reviewed by the HVIP and Low NOx Engine Incentives Grantee to verify that the above information is included in the contract.
- » Yearly questionnaires are sent to HVIP and Low NOx Engine Incentives participants.
- » Continued usage of renewable fuel will be monitored via the annual questionnaire for a three year period.

¹ [HVIP Implementation Manual](#) (April 4, 2017): Vehicle Technology Eligibility — New and Repowered Vehicles Using Low NOx Engines (p. 15)

Sample Memo

Date

HVIP Administrator,

Pursuant to the requirement that vehicles purchased with HVIP Low NOx vouchers use 100% renewable fuel for three years, we have an agreement in place with a renewable natural gas (RNG) fuel provider to serve our fleet with at least 168,000 DGE of RNG. The volume of our fuel agreement is based on the following:

A. Vehicle type	B. Expected annual RNG fuel per vehicle (DGE)	C. Quantity of vehicles/ vouchers	D. Expected annual RNG fuel use subtotal (DGE) (column B x C)	E. Expected annual RNG fuel use over three years (DGE) (column D x 3)
Xpeditor E3	10,000	2	20,000	60,000
Autocar 4x2	12,000	9	36,000	108,000
Total RNG to be supplied and used over 3 years (DGE)				168,000

The name of our RNG provider is provider name. The agreement number for the contract is 123456789 and the contact person is (name, phone, email). We have granted the provider permission to validate our contracted and delivered RNG volumes upon your request, and they have agreed to provide the necessary information.

We will begin fueling with RNG within 60 days of taking ownership of the vehicle. If our fuel provider is unable to supply the complete amount of RNG specified by the end of each year, we will make up the remaining amount through additional deliveries within the following year, and the total volume of RNG will be fully delivered by three.



(signature)

Name
Address
City, CA, Zip Code
Phone