



News Release

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CalSTEP Unveils Action Plan to Boost California's Energy Security, Leadership in New Transportation Fuels and Technology

Assembly Speaker Targets Key Recommendations for Action

Sacramento, Calif. – Against a backdrop of advanced vehicles and lower-polluting fuels, the California Secure Transportation Energy Partnership (CalSTEP) today unveiled a comprehensive set of actions geared toward increasing California's transportation energy efficiency and alternative fuel use by 2020. The CalSTEP Action Plan, developed through research, analysis and consensus-building over the past eighteen months, aims to grow the economy while reducing greenhouse gas emissions.

CalSTEP is a diverse partnership of industry, government, academic and non-profit leaders from automakers to conservation groups.

The multi-year Action Plan targets three key areas where the state can take action to secure its energy future: increasing vehicular efficiency; diversifying the state's fuel supply; and reducing the overall need to drive. The CalSTEP plan makes ten key action recommendations to achieve the overall goals of reducing petroleum use by 15 percent, and increasing alternative fuel use to 20 percent.

With the release of its ten-point Action Plan, CalSTEP also launched the plan's implementation, welcoming the immediate support of California Speaker of the Assembly Fabian Núñez and other legislative proponents for specific recommendations in the plan.

"I applaud the serious efforts of this diverse group to craft these recommendations for California's energy future," said Speaker Fabian Núñez (D-46th District). "California must be the leadership state in developing new transportation technologies and cleaner fuels. I will introduce legislation this Spring to specifically launch one of its recommendations – to create a California program to support alternative fuels and efficient vehicle development and use."

The announcement came at the headquarters of Sacramento Regional Transit District (RTD), a leader in providing people with clean, efficient travel and commute options, including rail and natural gas fueled buses, which reduce petroleum consumption. RTD General Manager and CEO Beverly Scott is a CalSTEP partner.

“CalSTEP came together to spur meaningful action at the state level to address California’s transportation energy problems,” noted CalSTEP partner James Sweeney, Professor of Management Science and Engineering and Director of the Precourt Institute for Energy Efficiency at Stanford University. “We see momentum building to act in a non-partisan way on energy, with the Speaker’s commitment to technology development and the Governor’s action on low-carbon fuels. We encourage state leaders to work across the full range of actions California needs for its security.”

The two key findings and tenets of CalSTEP’s Action Plan are: 1) that no single action is sufficient to address the state’s challenges in transportation energy; and 2) that the state can take meaningful action independent of the federal government to buffer itself from the ill effects of excess petroleum consumption. CalSTEP’s Action Plan illustrates that unless comprehensive actions are taken, California will sacrifice its ability to provide sufficient conventional fuels, increase its foreign oil dependence, worsen its global warming impact, and limit its economic growth.

“CalSTEP’s recommended actions build on the economic strengths of the state,” said Reginald R. Modlin, Director of Environmental Affairs at DaimlerChrysler. “These actions are not the only approaches possible, but they define where action is needed and some of the best steps to take. We would also welcome other approaches that can engage with industry to achieve the results needed.”

A good example of a complementary approach is Governor Schwarzenegger’s recently announced low-carbon fuel program, which establishes a market-friendly framework that could lead alternative fuels to comprise approximately 20 percent of the overall fuels market by 2020. While using a different mechanism, the program parallels CalSTEP’s recommendation of an Alternative Fuel Portfolio Standard (AFPS) for transportation fuels. CalSTEP has lauded the Governor for taking action in this arena.

CalSTEP is encouraging state leaders to consider and take actions in three primary and seven supporting areas. The three primary actions account for the bulk of the benefits in terms of reducing petroleum use and cutting global warming emissions. The supporting actions help achieve the goals, support state industry to create solutions and opportunities, and provide additional economic benefits. The primary actions include:

- Alternative Fuel Portfolio Standard (AFPS) – a market-based approach for increasing alternative fuel use through fuel blending, dedicated use, and/or credit trading. Goals would be 10% alternative fuels by 2012 and 20% by 2020.
- Smart Communities – a program to spark more transportation energy efficient community design and development that sets goals for reducing vehicle miles traveled (VMT) by 10% by 2020 in California’s urban regions and rewards communities who achieve who this goal.
- Energy Security Tax Relief and Realignment (ESTRR) – a program to help protect Californians and investors against foreign oil price volatility and gaming that would use a revenue-neutral foreign oil security fee coupled with a rebate to all taxpayers to encourage the long-term production of and investment in efficient vehicle technologies.

The seven key supporting actions include:

- California Alternative Fuels Infrastructure Partnership – to expand alternative fueling stations and vehicles.
- California Renewable Fuel Production Initiative – to expand California’s ability to produce preferred fuels and to capitalize on their growing consumption.
- State Fleet Leadership Challenge – to fund and commit the state’s fleets to setting the standard for the use of efficient vehicles and alternative fuels.
- New Transportation Future and Revolving Loan programs – to spur the development and deployment of more efficient vehicles, technologies, and fuels.
- Energy-Independent Vehicle Labeling Program – to send simple, clear signals to consumers about which vehicles meet the highest efficiency targets.
- Neighborhood Planning Revolving Loan and Transit Use Assistance programs – to help communities plan for transportation energy efficiency.
- Usage-Based “Pay As You Drive” Insurance – to enable insurers to offer rewards to motorists who choose to drive less.

“This comprehensive set of recommended actions will help California secure a clean transportation future which is essential to meeting our air quality and climate change goals,” emphasized CalSTEP partner Tim Carmichael, President and CEO of the Coalition for Clean Air.

Without a change in policy, the state fuel demand is currently projected to be 23 billion gasoline gallon equivalents (BGGE) for all on-road vehicles in 2020. In order to meet the 15 percent petroleum reduction goal, which was established by the Air Resources Board and the California Energy Commission, the state needs to reduce that use by 7.6 BGGE to 15.4 BGGE, 15 percent below 2003 levels, by 2020. The CalSTEP actions can achieve these goals if all actions or their equivalent are taken by reducing 2.9 BGGE through greater fuel diversity; 1.8 BGGE through reducing the need to drive; and 2.9 BGGE from greater vehicle efficiency.

“We have the skills, the technology and the economic conditions in California to make these reductions a workable and profitable course,” observed CalSTEP partner Dr. S.M. Shahed, 2002 President of SAE International and Corporate Fellow at Honeywell Turbo Technologies. “Now we have a plan of action that policy makers, industry and others must come together to make happen.”

The expanding CalSTEP Partnership includes these distinguished members:

- Tim Carmichael, President and Chief Executive Officer, Coalition for Clean Air
- Maurice Gunderson, Venture Partner, CMEA Ventures
- George Shultz, former Secretary of State; Distinguished Fellow, Hoover Institution
- Andrew Littlefair, President and Chief Executive Officer, Clean Energy
- Dr. Jim Sweeney, Professor of Management Science and Engineering and Director of the Precourt Institute for Energy Efficiency, Stanford University
- Fred Keeley, former Speaker Pro Tempore, California State Assembly
- Jan Hedegaard-Broch, Vice President and General Manager of VMCC, Volvo Car Corporation
- Reginald R. Modlin, Director of Environmental Affairs, DaimlerChrysler Corporation
- Neil Koehler, President and Chief Executive Officer, Pacific Ethanol

- Maxine Savitz, Director, The Washington Advisory Group
- Beverly Scott, General Manager and Chief Executive Officer, Sacramento Regional Transit District
- Dr. S.M. Shahed, 2002 President of SAE International; Corporate Fellow, Honeywell Turbo Technologies
- Lee H. Stein, Managing Member, Virtual Group L.L.C. (Investment Co.)
- James D. Boyd, Commissioner, California Energy Commission
- Paul S. Zorner, Ph.D., Senior Director of Business Development, Diversa Corporation
- John Boesel, President and Chief Executive Officer, CALSTART.

CalSTEP welcomes additional partners who are committed to its framework and goals. The complete Action Report is available either in hard copy or electronically. Visit www.calstep.org for more information.

The Partnership is an independent project of CALSTART, a fuel neutral, participant-supported organization of nearly 140 companies and agencies, dedicated to expanding and supporting a high-tech transportation industry that cleans the air, creates jobs and improves energy efficiency. Visit www.calstart.org for more information.