



Office of Environmental Education Response to Comments on Original Filed Rules

Rule: Alternative Fuel Vehicle Grant Program

Agency Contact for this Package

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New legislation passed by the Ohio General Assembly in 2016 requires Ohio EPA to adopt rules for administration of an alternative fuel vehicle (AFV) conversion grant program. Ohio EPA circulated an early stakeholder outreach fact sheet in February 2017 to ensure stakeholders were brought into the rule development process as early as possible and to obtain additional input and discussion before development of interested party draft rules. Ohio EPA reviewed early stakeholder outreach comments prior to developing rules that were posted to the website May 22, 2017 for an interested party comment period which ended on June 21, 2017. After review of those comments, on September 22, 2017 Ohio EPA posted notice of a proposed rulemaking to implement the grant program and invited comments on the three posted rules by October 26, 2017. Ohio EPA has now reviewed and considered five comments received during the public comment period. By law, Ohio EPA has authority to consider specific issues related to protection of the environment and public health.

In an effort to help you review this document, the questions are grouped by the number of the applicable rule reference, and organized in a consistent format. The name of the commenter follows the comment in parentheses.

General/Overall Concerns

Ohio EPA received one e-mailed comment and heard oral testimony from four stakeholders at the public hearing on October 26th. The e-mailed comment included a recommendation that would require a statutory change beyond the scope of this rulemaking. One stakeholder provided oral testimony urging funding priority be given to a particular type of natural gas fuel. One testified requesting a longer time period for completion of grant projects. Two stakeholders provided oral testimony that the grant program will benefit the compressed natural gas and propane industries in the state, and that these fuels are abundantly available and economical. Those two commenters did not offer specific recommendations for the rules.

Proposed Rule 3745-49-53 (B) Definitions

Comment 1: “The grant should have no biases toward any alternative fuels that are available to the market currently. Hydrogen fuel cell and other electric vehicles should be considered for funding in this grant as well.” (Mark Finnicum, Stark Area Regional Transit Authority)

Response 1: Expanding the definition of alternative fuel would require a statutory change that is beyond the scope of this rulemaking.

Proposed Rule 3745-49-54 (C) Prioritization

Comment 2: “BioCNG also called RNG or biomethane has had a significant development that has scientifically documented RFG aka BioCNG, both of which are CNG, is now exponentially the cleanest transportation fuel available. Just a few days ago the California Air Resources Board or CARB certified a process used to make this CNG as producing -254 grams of carbon per megajoule of energy. Compare this with the +38 grams of carbon per megajoule produced by an electric vehicle charged with clean California supplied electricity and it is clear that CNG vehicles offer exponentially less carbon emissions. The difference is nearly 300 grams per megajoule or over half a pound of carbon emitted into the environment! According to the Propane Council website, (www.propanecouncil.org) propane powered vehicles generally compare to fossil natural gas fuel for emission reductions, both of which are more clean than fossil diesel or gasoline. As you can see from the attached Carbon Intensity chart, fossil natural gas fuel produces about +89 grams of carbon per megajoule when burned.

Currently according to published priorities, the Ohio EPA is planning to administer this grant program on a first come, first served basis. Ohio EPA has published online in response to previous comments regarding this program that the legislation did not give the Ohio EPA authority to set grant priorities. In the attached Appendix is the language from Ohio House Bill 390. As you can see, the legislative language specifically states that the director of (Ohio) environmental protection shall administer this program and establish “Any other procedures, criteria, or grant terms that the director determines necessary to administer the program. Clearly, Ohio House Bill 390 gives the Ohio EPA director discretion to determine grant criteria over the administering of this grant. The legislators gave the director discretion to ensure the maximum benefit to the Ohio taxpayer. Currently, no other transportation fuel in this grant program, propane or fossil based CNG or LNG can offer anything close to this environmental performance. I am here today to ask the Ohio EPA to establish a priority on RFG or BioCNG when

administering this alternative fueled program. Because of their environmentally superior performance, BioCNG or RNG projects should be given a funding priority.” (Brad Couch, Ariel Corporation)

Response 2: The comment draws comparisons for only one pollutant, between one form of CNG and electric, gasoline, diesel and “propane or fossil based CNG or LNG.” The enabling legislation for this rule defines alternative fuels to include compressed natural gas, liquid natural gas, or liquid petroleum gas, and also authorizes grant funds to be used for purchase of, or conversion to, bi-fueled or dual-fueled vehicles that run on both an alternative fuel and on gasoline or diesel fuel. While HB 390 did include broad authority for Ohio EPA to administer the grant program, the enabling legislation is very specific as to what the grant program rules shall establish, and the list does not include any language on how the Agency should prioritize grant awards. Enabling legislation governing Ohio’s Clean Diesel School Bus Fund and Diesel Emission Reduction Grant program did include specific language on prioritization of funding. Because of the lack of prioritization language in the alternative fuel vehicle statute, Ohio EPA believes the intent of the enabling legislation for this rule was to promote the use of all three named alternative fuels, and that fleet owners should be able to choose the fuel option that best meets their needs from those named. Vehicles that run on the type of CNG fuel that the commenter is advocating will be eligible for grant funding so long as they meet the other eligibility criteria spelled out in the enabling legislation and repeated in the rule.

Proposed Rule 3745-49-55 (B) Grant Administration

Comment 3: **The requirement to complete grant projects within a one year period should be extended by six months. Normal delivery time for new transit buses is about 18 months from placement of an order. (Juana Hostin, Ohio Department of Transportation urban transit coordinator)**

Response 3: Ohio EPA agrees with the comment and is refileing this rule to extend the requirement from one year to eighteen months, with the opportunity for grant recipients to also request and receive one six-month time extension for good cause.

End of Response to Comments