Alternative Fuels Policies: Outlook for 2018

Preparation for Energy Independence Summit
Capitol Hill Day
Thank You to our Sponsors

Nissan North America, UPS

Cummins Westport, Workhorse Group, United Soybean Board, National Biodiesel Board, Volkswagen Group of Americas, NGVAmerica, Roush CleanTech

Transportation Energy Partners

- Provides policy support to the nation’s Clean Cities Coalitions & our 15,000 stakeholders

- Keeps coalitions & stakeholders informed of key policies, programs, & funding opportunities

- Educates decision makers about the importance of advancing markets for clean vehicles and fuels
Energy Independence Summit
February 11-14 in Washington DC

Featuring:
- Administration and Congressional Leaders
- Presentations on VW Settlement Opportunities
- Industry Leaders – Cummins Westport, Nissan, UPS, National Propane Gas Association, Altec, National Biodiesel Board, NGVAmerica, Telefonix EV Chargers, Roush CleanTech and More
- Roundtables with DOE, EPA, DOT, USDA, and DOD
- Salute to Clean Cities Reception – Monday February 12
- Capitol Hill Day Meetings with Congress – Tuesday February 13
- UPS Capitol Hill Town House Reception – Tuesday February 13

Go to: www.transportationenergypartners.org
Federal Clean Transportation Policy Future Remains Uncertain

- Administration pulls out of Climate Treaty.
- Many energy & environment officials yet to be nominated.
- Administration proposed cuts to Clean Energy Programs.
- Bipartisan support in Congress remains strong.
- Disagreements over immigration have stalled final budget negotiations.
- Infrastructure legislation could move.
TEP Clean Transportation
Federal Priorities

- Extend Tax Incentives for Alternative Fuels, Vehicles and Infrastructure.
- Increase Federal Funding for Key Alternative Fuels Programs.
- Preserve the Renewable Fuels Standard.
- Encourage FHWA to approve Buy America waivers for alternative fuel vehicle projects.
- Include Alternative Fuels in Any New Infrastructure Initiatives.
Federal Tax Incentives Expired at End of 2016

- Excise Credit for LNG, CNG, Propane
- Biodiesel Credit
- 2nd Generation Biofuel Credit
- Alternative Fuel Infrastructure Credit
- Hydrogen / Fuel Cell Credits
Final bill maintained EV credit.

Did not include expired alternative fuel incentives.
Outlook for Tax Extenders

- Bipartisan support in Senate for Sen. Hatch legislation to extend expired incentives.
- Sen. Hatch (R-UT) & Grassley (R-IA) are leading the charge.
- House is less supportive.
- Looking to attach extenders to FY 2018 omnibus appropriations bill.
- Should focus on House and Senate leadership and Tax Committee Members.
Leadership of tax committees:

- Orrin Hatch (R-UT), Chair, Senate Finance
- Ron Wyden (D-OR), Ranking Member, Senate Finance
- Kevin Brady (R-TX), Chair, House Ways and Means
- Richard Neal (D-MA), Ranking Member, House Ways and Means
EPA finalized RFS for 2018 for cellulosic biofuel, biomass-based diesel, advanced biofuel, and total renewable fuel.

EPA also finalized the RFS for biomass-based diesel through 2019.

Oil industry still seeking to undermine the program.
## Renewable Fuel Standard

**Volumes for RFS (in gallons)**

<table>
<thead>
<tr>
<th></th>
<th>2015</th>
<th>2016</th>
<th>2017</th>
<th>2018*</th>
<th>2019*</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cellulosic Biofuel</td>
<td>123M</td>
<td>230M</td>
<td>311M</td>
<td>288M</td>
<td>N/A</td>
</tr>
<tr>
<td>Biomass-based Diesel</td>
<td>1.73B</td>
<td>1.9B</td>
<td>2.0B</td>
<td>2.1B</td>
<td>2.1B</td>
</tr>
<tr>
<td>Advanced Biofuel</td>
<td>2.88B</td>
<td>3.61B</td>
<td>4.28B</td>
<td>4.29B</td>
<td>N/A</td>
</tr>
<tr>
<td>Conventional Ethanol</td>
<td>14.05B</td>
<td>14.5B</td>
<td>15.0B</td>
<td>15.0B</td>
<td>N/A</td>
</tr>
<tr>
<td>Total Renewable Fuel</td>
<td>16.93B</td>
<td>18.11B</td>
<td>19.28B</td>
<td>19.29B</td>
<td>N/A</td>
</tr>
</tbody>
</table>

Yellow cells highlight recently-finalized volumes.
RFS is Working – Three E’s:

- Energy Security: Reducing oil dependence by meeting more than 10% of U.S. on-road transportation needs.
- Economy: RFS supports >400,000 jobs nationwide.
- Environment: Reducing carbon emissions and other pollution.

Need to encourage lawmakers and Administration to continue to support a strong RFS.
Maintain increased funding for Clean Cities program, including more funding for competitive grants.

Maintain increased funding for the EPA Clean Diesel grants.
FY 2018 Appropriations

- Full House and Senate Committee have passed all bills.
- Congress will fund government at FY 2017 levels through February 8, 2018.
- Congress needs to agree on overall budget numbers before negotiations final FY 2018 bills.
# FY 2018 Clean Cities Funding

<table>
<thead>
<tr>
<th></th>
<th>Funding</th>
<th>Grants</th>
<th>Language</th>
</tr>
</thead>
<tbody>
<tr>
<td>FY 2017</td>
<td>$34 M</td>
<td>$15 M</td>
<td>Grants should be $500k-$1M</td>
</tr>
<tr>
<td>TEP</td>
<td>$40 M</td>
<td>$20 M</td>
<td>Grants should be $500k-$1M</td>
</tr>
<tr>
<td>FY 18</td>
<td>0</td>
<td>0</td>
<td></td>
</tr>
<tr>
<td>President</td>
<td>0</td>
<td>0</td>
<td></td>
</tr>
<tr>
<td>FY 18</td>
<td>0</td>
<td>0</td>
<td>Grants should be $500k-$1M</td>
</tr>
<tr>
<td>House</td>
<td>$28 M</td>
<td>$24 M</td>
<td>Grants favor states with higher GHGs from transportation.</td>
</tr>
</tbody>
</table>
FY 2017: $60 M
President: $10 M
FY 2018 House: $75 M
FY 2018 Senate: $40 M
FY 2019 Appropriations

- President supposed to propose budget in February.
- Appropriations subcommittees will consider legislation in May and June.
- House and Senate floor action in summer.
- Final legislation in fall.
Key Appropriations Leaders

- Senate Energy & Water Appropriations Subcommittee
  - Lamar Alexander (R-TN), Chair
  - Dianne Feinstein (D-CA), Ranking Member
- House Energy & Water Appropriations Subcommittee
  - Mike Simpson (R-ID), Chair
  - Marcy Kaptur (D-OH), Ranking Member
- Senate Interior Appropriations Subcommittee
  - Lisa Murkowski (R-AK), Chair
  - Tom Udall (D-NM), Ranking Member
- House Interior Appropriations Subcommittee
  - Ken Calvert (R-CA), Chair
  - Betty McCollum (D-MN), Ranking Member
TEP FY 2019 Appropriations Strategy

- Find out your Members’ appropriations request process and deadline.
- Follow up with member request form or letter.
- Show coalition stakeholder support.
- Follow up with Congressional offices after you submit request.
Other Issues

- FHWA Buy America obstacles
- Infrastructure legislation
Strategies for Continuing Progress

- Educate new Administration.
- Work with your Members of Congress.
- Rally your stakeholders and make your voices heard.
- Attend the Energy Independence Summit.
Preparing for Capitol Hill Day
Why Is Education of Policy Makers Important?

- **Builds Your Organization:** Increased visibility, more members, more funding.

- **Advances your Policies:** helps you educate policymakers and influence the debate.

- **Builds Long-term Relationships:** Advocacy promotes your organization with key policymakers.
Relationships are the currency of policymaking in Washington D.C. and across the country.

Identify ways you can help elected officials.

- Be a good source of ideas & information.
- Provide opportunities for visibility & media coverage.
- Introduce them to key constituencies and community leaders.

Build relationships with local, state, & national offices.
All Politics is Local

- Educate officials about the value & benefits of clean transportation policies for your area.
  - Provide facts & figures on how clean vehicles & fuels are creating jobs and benefitting the local area.
  - Provide examples of local projects and programs in action.
- Demonstrate broad-based and bi-partisan support for your issue.
Follow Up and Follow Through

- If you don’t know, find the answer and get back to them.
- Send thank you notes.
- Stay in Touch: send reports, newsletters, and regular updates to staff.
- Invite elected officials to local events.
- Identify opportunities for media coverage.
Meeting Preparation

- Prepare a “1-Pager” with background on your organization and examples of local projects.

- Use examples of local projects in action.

- Visual displays are extremely helpful.

- Business Cards, Pen, Paper.

- Phones on vibrate or silent.

- Wear comfortable shoes.
Meeting Tips

- **Be Brief and to the Point**: Expect meeting to last 15-30 minutes. Keep presentation short & leave time for questions.
- **Focus Specific Requests for Action**: Elected officials want to know how they can help.
- **Consider the office**: Know the elected official’s committees and background and tailor your pitch.
- **Be Factual**: Know the most up-to-date facts about your organization and pertinent issues. Bring a cheat sheet if you need to be precise.
- **Know the Opposition**: There are Pros & Cons to every debate.
- **Be Respectful**: Even if they disagree, you should respect their views. There will be future opportunities to work together.
Sample Meeting Agenda

1. Introduce Team & Overall Message
2. Provide 2-3 Brief Examples of Local Clean Fuels Projects in Action
3. Requests for Action
   - Extend Alternative Fuels Tax Incentives for at least 5 years
   - Increase funding for Clean Cities and other federal programs supporting alternative fuels
   - Preserve the Renewable Fuels Standard
4. Questions and Follow-up
TEP Assistance for Capitol Hill Day

- Building teams with stakeholders
- Scheduling meetings
- Sample appropriations request letter
- Talking points and hand-outs on federal policies
- Sample local press release
Thank You to our Sponsors

Nissan North America, UPS

Cummins Westport, Workhorse Group, United Soybean Board, National Biodiesel Board, Volkswagen Group of Americas, NGVAmerica, Roush CleanTech

For More Information

For more information, contact:

- Ken Brown, 202.674.7777
  ken@akbstrategies.com