**Meeting the Goals of AB 32: Fuels of the Future**

Testimony of Eileen Wenger Tutt

Thank you for the invitation to participate in this important hearing. CalETC is an organization that has been committed to transitioning the transportation sector to electricity for almost 20 years.

CalETC believes that electricity in the transportation sector offers a locally produced, economically viable and sustainable fuel option for the transportation fuels market. The policy leadership shown by the state of California, by our Legislature and our Administration and the good work of our state agencies, represented on the earlier panel, are key drivers attracting a new generation of electric cars to our state. AB 32 and the LCFS are clear examples of this leadership.

California’s utilities will be providing the bulk of the fuel to electric vehicles and all of the utilities are committed to supporting this demand for electricity. In California we have policies to ensure that the electricity we use comes from clean resources, natural gas and renewable sources that reduce or eliminate harmful emissions and greenhouse gas. There are some unique beneficial aspects to electricity as a transportation fuel and in honor of the title of this hearing, I would like to present some thoughts about what future electric vehicles offer from the fuel perspective:

* On a per-mile basis, electricity is about one quarter the cost of gasoline. So for every mile traveled on electricity, the car owner saves about 75% on fuel costs, relative to gasoline.
* A vehicle operating on electricity gets cleaner as it gets older, as more renewable electricity comes on line.
* Electricity is a locally-produced fuel.
* Electric vehicles can be plugged in at home or at work.
* California utilities are closely tied to their local governments, in the case of publicly-owned utilities they are local government, and their communities, providing good jobs here at home.
* Electricity is ubiquitous in our homes, businesses, communities, which minimizes the infrastructure costs associated with this fuel. The costs of infrastructure equipment are coming down quickly and the market options for such infrastructure are expanding rapidly. All vehicles offered today can plug into a 120 Volt wall plug and many customers are choosing this option which eliminates infrastructure costs altogether.
* The electric car can communicate with the grid and ensure a full battery by a specific time charging only when the cost of electricity and the impacts on the electricity grid are at their lowest. This is just one example of the kinds of benefits electric vehicles can provide to the shared customers of the utilities and the auto makers.
* All electricity customers can benefit from the valuable opportunity to enable the safe, reliable and efficient integration of PEV charging loads with the grid.

I will wrap up my short testimony reiterating CalETC’s support for both AB 32 and the LCFS regulations. In the transportation fuels world the LCFS is essential to support low-carbon fuels like electricity. We must remain realistic, oil holds a 90+ percent market share advantage over any other transportation fuel. The fuel that has broken into the mainstream with the most success is ethanol blended into gasoline. The ARB has demonstrated that this blending cannot provide the significant reductions needed to meet the policy goals of the state.

Much lower carbon fuels are needed. California has to break its near-total dependence on oil in the transportation sector. Electric vehicles are the “gateway” vehicles, promising a future of diverse transportation fuel sources and the economic stability that results from petroleum independence. The LCFS regulation provides needed incentives to encourage electricity in the transportation fuels market. California has the right policies in place, but transitioning toward a diverse low-carbon transportation sector future will require more than just the right policies. We need all here to recognize that we are a state dependent on a single fuel and getting off that dependence requires action on the part of every car buyer.

I ask that all in this room consider the attractive alternative-fuel vehicles available today. Without a successful early market we cannot realize a mature and diverse transportation fuels world.