

California Secure Transportation Energy Partnership (CalSTEP) Overview





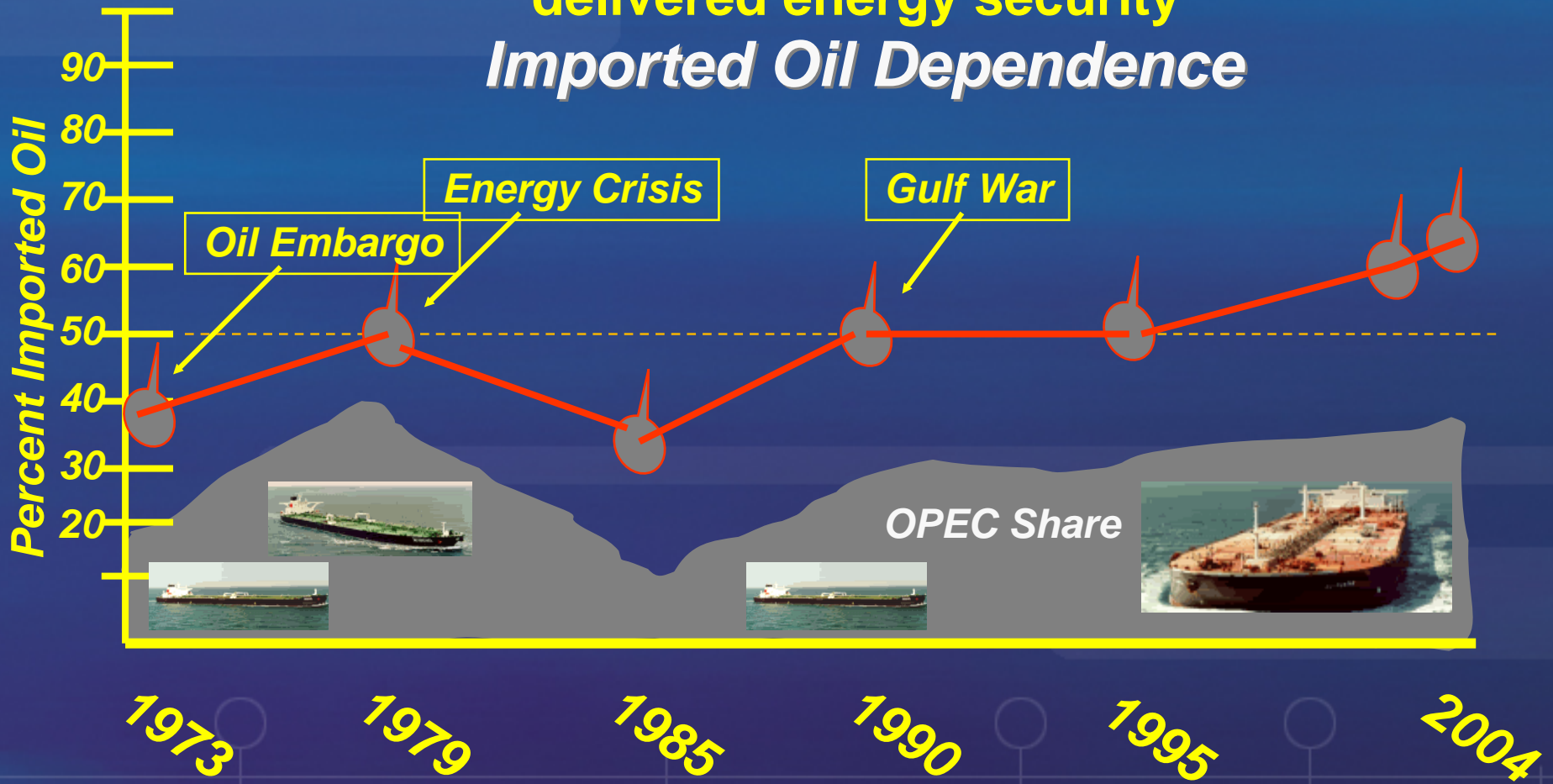
The Need for Action: Global View

- 1. Worldwide demand will result in increasing oil prices as production does not keep pace with growth**
- 2. Increases in imported oil will continue no matter what happens with domestic oil production**
- 3. The probability of supply disruptions increase as oil reserves become ever more concentrated in geopolitically risky nations**
- 4. Payments for imported oil (\$20B/year) contribute to a worsening trade deficit and undermine the long-term strength of the state's economy**
- 5. Climate change is a serious threat and oil consumption is a leading cause**



From 40 to 60% in 32 Years

The federal government hasn't delivered energy security
Imported Oil Dependence





If California Leads Others Will Follow: A De Facto Energy Policy

- CA is the only state with the legal authority to establish its own air quality standards and rules
- 7 states have chosen to adopt the California Low Emission Vehicle (LEV) program
- Approximately 10 states have elected to adopt the CA GHG emission control laws
- A de facto national standard created by the states



Benefits of Action: Local View

- 1. Provide economic buffer from volatile and tight world oil market – create a “California advantage”**
- 2. Reduce impact from potential supply disruptions due to unpredictable geo-politics**
- 3. Boost state economy by producing new fuels and creating new industries**
- 4. Reduce traffic congestion; increase productivity**
- 5. Minimize greenhouse-gas production; Improve air quality**



What is CalSTEP?

- Spearheaded by CALSTART
 - Supported in part by the Hewlett Foundation
- Key stakeholders from the private, public, and non-governmental sectors
- Develop and implement a comprehensive pro-business action plan to secure California's transportation energy future
 - Significantly increase transportation efficiency and alternative fuel use
 - Create **more wealth** and **economic opportunity**, while improving the environment



CalSTEP = Multiple Solutions

- There is no silver bullet
- CalSTEP recognizes the need:
 - to transition from a single to a multiple-fuel future
 - for greater vehicle efficiency
 - for better transit/smart growth policies and practices



CalSTEP Members -- Preliminary

- **John Boesel**, President and CEO, CALSTART
- **James D. Boyd**, Commissioner, California Energy Commission
- **Tim Carmichael**, President and Chief Executive Officer, Coalition for Clean Air
- **Maurice Gunderson**, Co-Founder and Managing Director, Nth Power
- **Bill Jones**, Founder and Chairman of the Board, Pacific Ethanol



CalSTEP Members -- Preliminary (cont.)

- **Fred Keeley**, Treasurer, City of Santa Cruz (former Speaker Pro Tempore, California State Assembly)
- **Doug Linney**, President, The Next Generation
- **Andrew Littlefair**, Clean Energy Fuels
- **Lars Erik Lundin**, Vice President of VMCC, Volvo Car Corporation
- **Reg Modlin**, Director of Environmental and Energy Planning, DaimlerChrysler
- **Maxine Savitz**, Director, The Washington Advisory Group



CalSTEP Members -- Preliminary (cont.)

- **Dr. S.M. Shahed**, Vice President, Advanced Technology, Honeywell Turbo
- **George Shultz**, Distinguish Fellow, Hoover Institution
- **Lee Stein**, Managing Member, Virtual Group L.L.C. (Investment Co.)
- **Dr. Jim Sweeney**, Professor of Management Science and Engineering, Stanford University
- **Dr. Paul Zorner**, Senior Director, Business Development, Diversa Corporation



CalSTEP Timeline

- **December 2006: Release “Framework for Action”**
- **February 2006: Present Near Term Recommendations**
- **March 2006: Present Preliminary Bioenergy Recommendations**
- **March – November 2006: Develop California Action Plan; Conduct Statewide Outreach and Education**
- **December 2006: Present California Action Plan**
- **2007 and beyond: Implement Action Plan in CA**
- **2007 and beyond: Develop and Implement Action Plans For and In Other States**



“Framework for Action” Announced 12/1/05

- Articulates CalSTEP Goals and values
- Focuses actions on four key areas:
 - Applying Smart Growth and Advanced Transit
 - Diversifying Fuel Supply
 - Improving Vehicular Efficiency
 - Educating the Public





CalSTEP Preliminary Recommendations

- Use more renewable fuels
- Invest in California Transportation Energy Security
- Spur model state, local, and private fleets
- Align state funding with smart growth and energy efficient transportation measures



CalSTEP Areas of Investigation and Potential Actions

- 1. Increasing the Statewide Use of Biofuels**
- 2. Organizing State and Local Fleets to Help Increase Demand for Efficient and Alternative Fuel Technologies**
- 3. Incentivizing the Purchase of Efficient and/or Alt. Fuel Vehicles Over Inefficient Ones**
- 4. Incentivizing Lower Energy Consumption in the Movement of Goods**
- 5. A Land Use Framework to Encourage Efficient Transportation**



CalSTEP Areas of Investigation and Potential Actions (cont.)

6. **Local Government Partnership to Implement Efficient Technologies and Community Designs**
7. **Creating New State Programs, Modeled After Effective Existing Programs, but Focused on Transportation Energy Security**
8. **Efficient and Alternative Fuel Vehicle “VIP” Privileges**
9. **Vehicular Insurance Programs that Provide Incentives to Reduce “Vehicle Miles Traveled”**
10. **Expanding Truck Fuel Efficiency and Anti-Idling Practices**



Summary -- Desired Outcomes

- **Develop a viable, pro-business plan by December 2006 that demonstrates how CA can achieve its own energy security**
- **Educate state's leaders on need for strong action to address transportation energy crisis**
- **Sell and implement plan in California**
- **Work with other states to develop individual plans**



CalSTEP



www.calstart.org