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**SUBMITTAL TO THE BOARD OF SUPERVISORS
COUNTY OF RIVERSIDE, STATE OF CALIFORNIA**



FROM: County Executive Office

SUBMITTAL DATE:
April 20, 2004

SUBJECT: Contribution of AB2766 Funds Toward a LNG/LCNG Fueling Station in Southwest Riverside County.

RECOMMENDED MOTION: That the Board of Supervisors:

1. Approve the contribution of air quality funds (AB 2766) to Downs Commercial Fueling, Inc., for the construction of a LNG/LCNG fueling station in the southwest area of Riverside County.
2. Approve the cooperative agreement with Downs Commercial Fueling, Inc. that provides the terms and conditions of accessibility and use for the LNG/LCNG station by the County.

BACKGROUND: In early 2000, county staff initiated a search for partners to assist in creating a compressed natural gas (CNG) infrastructure network throughout the County. The lack of sufficient infrastructure has been an obstacle for both public and private fleet operators, and remains a barrier to clean fuel vehicle proliferation.

RCTC is requesting a contribution from the County towards a natural gas fueling station being built by Downs Commercial Fueling Inc. ("Downs"). The facility will serve the southwest area of Riverside County and will be located in the City of Temecula less than one-mile from Interstate 15 and two miles from Interstate 215.

(Continued on next page)

Jerry Norris
Jerry Norris, Senior Management Analyst

FINANCIAL DATA	Current F.Y. Total Cost:	\$ 30,000	In Current Year Budget:	Yes
	Current F.Y. Net County Cost:	\$ 0	Budget Adjustment:	No
	Annual Net County Cost:	\$ 0	For Fiscal Year:	2004

SOURCE OF FUNDS: AB2766 Air Quality Funds	Positions To Be Deleted Per A-30	<input type="checkbox"/>
	Requires 4/5 Vote	<input type="checkbox"/>

C.E.O. RECOMMENDATION:

APPROVE

FORM APPROVED
COUNTY COUNSEL

APR 12 2004

County Executive Office Signature *Bronna King*

BY *Lee A. Vinocour*

- Dep't Recomm.: Consent Policy
- Per Exec. Ofc.: Consent Policy

Prev. Agn. Ref.: | **District:** 1 & 3 | **Agenda Number:**

ATTACHMENTS FILED
WITH THE CLERK OF THE BOARD

3.5

Form 11

Contribution of AB2766 funds toward an LNG/LCNG fueling station in Temecula.

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Currently, the closest stations are in Hemet to the north or Escondido to the south. This joint-use facility will close the last gap in natural gas infrastructure in Riverside County, and will allow the County to deploy CNG vehicles to our departments in the area.

The facility will be a publicly accessible liquefied natural gas (LNG) and liquefied to compressed natural gas (LCNG) fueling station at the company's existing commercial fueling facility located at 27985 Diaz Road, Temecula, CA. The construction of the station is estimated to cost \$870,000.

Downs has secured funding commitments of \$250,000 from a 2001 South Coast Air Quality Management District (AQMD) funding program, \$225,000 from the California Energy Commission, and is still waiting on approval of an additional \$220,000 from another AQMD grant program. RCTC, in conjunction with Downs, has recently secured \$150,000 from the City of Temecula, and together with \$30,000 from the County of Riverside would complete the funding requirements needed for this public-access LNG/LCNG fueling station.

This project will be the first of its kind in the United States where a publicly accessible LNG/LCNG facility will be established at an existing retail cardlock-fueling site. A mainstay within Riverside County, Downs has been operating cardlock-fueling stations since 1976, and like the other petroleum fuels being dispensed at the site, the LNG and LCNG dispensing systems will be completely automated and unmanned.

It is anticipated that this facility will be operational by September 1, 2004. The facility will serve a variety of light-, medium- and heavy-duty natural gas vehicles that travel throughout the region, and will utilize state-of-the-art equipment. The types of vehicles served include passenger vehicles, utility trucks, school buses, transit buses, refuse trucks, and commercial trucks.

Downs has received commitments from several fleets operating in the Temecula area, including Laidlaw Transit, Riverside County Facilities Management, CR&R Refuse, and the Camp Pendleton Marine Corps Base. The total throughput from these commitments is approximately 673,314 gallons of LNG a year, and an additional 89,143 gallons of LNG if projected Riverside Transit Agency vehicle deployments proceed in the area.

Replacement of existing diesel and gasoline-powered units with a variety of natural gas vehicles will result in quantifiable reductions of nitrogen oxides (NOx) and particulate matter (PM).

Since this project warrants the cooperation and partnership of local agencies and Downs to insure success, and could provide a benefit to County fleet operations, staff is recommending approval of the cooperative agreement, and the \$30,000 contribution from the County's AB 2766 air quality funds.