

California's SB32 Bill Signing on Sept. 8, 2016



California's Clean Air and Climate Goals: How California's Challenges May Accelerate the Industry

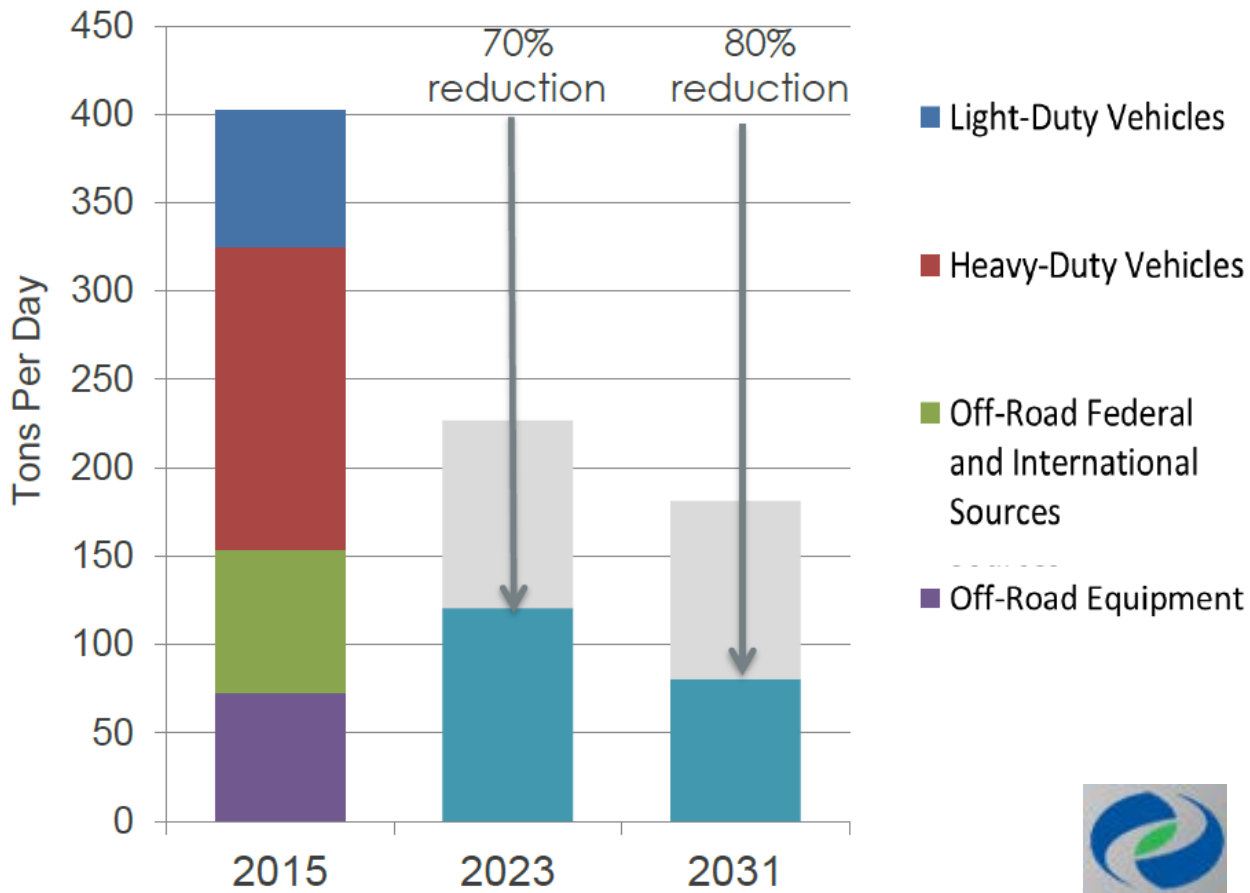
- Steep NOx reductions required by 2023 and 2031
- CARB Mobile Source Strategy estimates 900K Low NOx trucks required to meet 2031 federal ozone goal
- EPA HDDV Low NOx Rule Proposed Rulemaking not expected to deliver until 2024
- South Coast alone seeking \$1B/yr investment over next 14 years – 272K trucks by 2023
- SB32 Passage targets 40% CO₂eq reduction by 2030
- Petroleum Reduction Target set at 50% by 2030



South Coast Federal Attainment Needs

- Significant reductions needed to meet ozone standards
- Current programs achieve two thirds of necessary reductions
- Further efforts need to address all mobile sectors

South Coast Mobile Source NOx Emissions



Market Moving Opportunities for NGVs: Capitalizing on the Volkswagen Settlement



\$2.7B EMT Fund



- **\$2.7 billion** Environmental Mitigation Trust represents unprecedented opportunity to fund deployment of tens of thousands of cleaner burning natural gas trucks
- Natural gas vehicles well positioned to deliver lower nitrogen oxide emissions
- Much cleaner than diesel counterparts
- Much more cost effective and more readily available than electric vehicle options