PROPOSAL: Recognize California Natural Gas Vehicle Partnership as a Nonprofit Corporation and Transfer Funds, Contracts and Administrative Activities to this Nonprofit

SYNOPSIS: The Board established the California Natural Gas Vehicle Partnership (CNGVP) and the Natural Gas Vehicle Partnership Fund (Fund 40) in 2002 to promote greater deployment of natural gas vehicles in California. To provide the CNGVP with greater autonomy and help reduce South Coast AQMD’s administrative responsibilities, the CNGVP is registering as a California nonprofit corporation. These actions are to: 1) recognize the CNGVP as a California nonprofit corporation; 2) close all CNGVP contracts; 3) transfer all unspent funds, including interest earned, of up to $290,000 from the Natural Gas Vehicle Partnership Fund (Fund 40) to CNGVP nonprofit corporation; 4) close the Natural Gas Vehicle Partnership Fund (Fund 40); and 5) discontinue administrative activities on behalf of the CNGVP.

COMMITTEE: Technology, February 18, 2022; Recommended for Approval

RECOMMENDED ACTIONS:
1. Recognize the CNGVP as a California nonprofit corporation;
2. Authorize the Executive Officer to:
   a) Close all CNGVP contracts;
   b) Transfer all unspent funds of up to $290,000 from the Natural Gas Vehicle Partnership Fund (40) to CNGVP nonprofit corporation; and
   c) Close the Natural Gas Vehicle Partnership Fund (Fund 40).
3. Discontinue all administrative activities on behalf of the CNGVP.

Wayne Nastri
Executive Officer
Background
In 2002, the Board established the California Natural Gas Vehicle Partnership (CNGVP or the Partnership) to accelerate development of advanced natural gas vehicle technologies, establish a benchmark for lowering emissions from petroleum-based engines, and provide a pathway for transitioning towards hydrogen fuel cells in the future. The CNGVP is comprised of state and federal air quality agencies, transportation and energy agencies, vehicle and engine manufacturers, fuel providers, transit organizations and refuse haulers. The Partnership’s Steering Committee meets on a quarterly basis and is comprised of high-level representation from each participating member. South Coast AQMD’s representation on the CNGVP includes three South Coast AQMD Board Members.

To help foster the development of the Partnership, the Board in 2002, established the Natural Gas Vehicle Partnership Fund (Fund 40) to recognize and receive dues from members and established South Coast AQMD as the Partnership’s financial and contracts administrator for projects approved by the Partnership’s Steering Committee. Since 2002, South Coast AQMD staff and resources have been utilized to administer quarterly meetings, record, and transpose minutes, develop, and enforce contracts, invoice for and ensure collection of member’s dues, issue payments for contracts and provide fiduciary oversight of the CNGVP’s funds and budget. To help alleviate South Coast AQMD workload associated with the CNGVP, the Partnership secured a two-year contract with Gladstein, Neandross, and Associates (GNA) in 2020 to provide administrative services of its quarterly meetings as well as provide the CNGVP with assistance in developing its projects and managing its website. In 2021, the Partnership initiated registration as a California non-profit 501(c)(6); this action will enable the CNGVP to establish a secure financial account to receive and deposit its funds currently held by South Coast AQMD in the Natural Gas Vehicle Partnership Fund (Fund 40), as well as assume all administrative and financial responsibilities including contract development and management, invoicing, and payments.

Proposal
Staff proposes the Board recognize the CNGVP (Partnership) as a non-profit California-based 501(c)(6) and to direct staff to work with the Partnership to execute the secure transfer of the Partnership’s funds from the Board’s established Natural Gas Vehicle Partnership Fund (Fund 40) to an account identified by the Partnership. In addition, staff proposes the Board direct staff to work with the Partnership to transfer pertinent information to the Partnership concerning outstanding active or pending contracts executed or in development by South Coast AQMD for and on behalf of the CNGVP and conclude all South Coast AQMD responsibilities associated with the administration of the CNGVP. These actions are to recognize the CNGVP as a California nonprofit corporation; authorize the Executive Officer to close all CNGVP contracts and transfer all unspent funds up to $290,000 from the Natural Gas Vehicle Partnership Fund (40) to
CNGVP nonprofit corporation and close the Natural Gas Vehicle Partnership Fund (Fund 40).

Benefits to South Coast AQMD
The implementation of this Partnership has brought public and private stakeholders together to assist in the development and deployment of advanced natural gas vehicles and refueling infrastructure. As a self-administered nonprofit 501(c)(6), the CNGVP is expected to continue its leadership role to work with original equipment manufacturers, government, and the public towards the advancement of natural gas vehicles in the marketplace, and further address criteria pollutant emissions as well as greenhouse gases and energy needs. This transfer of responsibilities to the CNGVP from South Coast AQMD is expected to alleviate staff and resources that are currently dedicated to the administration and management of the CNGVP’s budget, contracts, and projects. In turn, the CNGVP will have exclusive control over its finances, contracts, payments, and invoicing processes, all of which are expected to become more streamlined as a result.

South Coast AQMD will continue its membership and participation with the CNGVP and will continue to work collaboratively with the Partnership and its members in achieving the objectives of the CNGVP. South Coast AQMD continues to recognize the use and air quality benefits of natural gas as a transportation fuel when used in ultra-low NOx engines. In addition, the use of RNG can increase domestic fuel supply, help address landfill diversion efforts and waste biomass challenges, and concurrently reduce greenhouse gas emissions associated with waste biomass. The deployment of ultra-low NOx natural gas heavy-duty vehicles continue to be included in the Technology Advancement Office Clean Fuels Program Plan Update under “Infrastructure and Deployment (NG/RNG)” and “Assess and Support Advanced Technologies and Disseminate Information.”

Resource Impacts
As a registered California-based nonprofit 501(c)(6) business entity, the CNGVP will now be able to open a bank account that will enable a secure transfer of all unspent funds of up to $290,000 from the Natural Gas Vehicle Partnership Fund (Fund 40) to such an account. Concurrently, the CNGVP will assume full administrative responsibilities for its operations and the management of its projects and finances.