



BP America, Inc

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Via Email and Electronic Submittal

Mr. Floyd Vergara, Chief Alternative Fuels Branch
California Air Resources Board
1001 I Street, Sacramento, CA
Via e-mail to fvergara@arb.ca.gov

Re: BP America Comments on September 14 CARB Workshop on LCFS Regulatory Amendments

Dear Mr. Vergara:

BP appreciates the opportunity to submit comments on the draft amendments to the LCFS regulations detailed at the workshop on September 14th, 2011.

BP has previously submitted comments on this issue and expressed our strong concerns that the current language for the electricity pathway requires revision in order to make it consistent with the regulated party language for other pathways, to place the incentive for innovation in alternative fuels in the proper location, and to encourage free and open competition in the development and commercialization of alternative fuels. Conceptually, the regulated party determination for each LCFS fuel pathway should be consistent – and designed to meet the objective of the LCFS – that is a fuel neutral approach to incentivizing and rewarding innovation in alternative, low carbon fuels.

The revisions concerning the regulated party for the electricity fuel pathway do not recognize all potential fuel contributors. There are supplemental electricity producers that provide electricity into the grid that would not receive credit under the current regulatory construct. We believe it is important to encourage an open market for competition for all potential fuels providers, including those providing supplemental grid electricity. The participation of at-risk capital will be vital to deliver the necessary scale of investment and to reduce the timeline for innovation in and deployment of alternative fuels technologies. The regulation should provide a pathway for LCFS electricity credit

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generation for supplemental power producers in the case of a direct contract path to the transportation fuel distributor or consumer.

Based on our desire for all potential fuel contributors do be recognized, BP proposes the following language changes for 95484(a)(6):

(6) *Regulated Parties for Electricity*. For electricity used as a transportation fuel, the party who is eligible to opt-in as a regulated party is determined as specified below:

(A) For transportation fuel supplied through electric vehicle (EV) charging equipment in a single or multi-family home, the ~~Electrical Distribution Utility~~ **Electricity Provider** (an Investor Owned Utility (IOU) as defined in Public Utilities Code sections 216 and 218, or a local publicly owned electric utility (POU) as defined in Public Utilities Code section 224.3, **or a Electric Service Provider as defined in PUC section 394(a)**) which provide electricity to a retail end user in California) is eligible to opt-in as the regulated party in their defined utility territory. To receive credit for electricity supplied as a transportation fuel, the ~~Electrical Distribution Utility~~ **Electricity Provider** must:

1. provide EV time-of-use pricing as a rate option that includes a discount for off-peak charging.
2. actively educate the public on the benefits of EV transportation (including environmental benefits and costs of EV charging as compared to gasoline) through outreach efforts that may include, but are not limited to, the following:
 - a. public meetings
 - b. EV dealership flyers
 - c. utility customer bill inserts
 - d. radio and/or television advertisements
 - e. webpage content
3. include in annual reporting a summary of efforts to meet requirements 1 and 2, as well as an accounting of the number of EVs known to be operating in the service territory.

(B) For transportation fuel supplied through public access EV charging equipment, the third-party non-utility Electric Vehicle Service Provider (EVSP) or ~~Electrical Distribution Utility~~ **Electricity Provider** that has installed the equipment, or had an agent install the equipment, and who has a contract with the property owner or leasor where the equipment is located to maintain or otherwise service the charging equipment is eligible to opt-in as the regulated party.

If the EVSP elects not to become a regulated party, the ~~Electrical Distribution Company~~ **Electricity Provider** is eligible to be the regulated party provided there is a contract or other written evidence of mutual agreement that the EVSP has elected not to be the regulated party and is allowing the ~~Electrical Distribution Company~~ **Electricity Provider** to be the regulated party. To receive credit for transportation fuel supplied through public access EV charging equipment, the regulated party must:

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1. provide EV time-of-use pricing as a rate option that includes a discount for off-peak charging,

2. actively educate the public on the benefits of EV transportation (including environmental benefits and costs of EV charging as compared to gasoline) through outreach efforts that may include, but are not limited to, the following:

- a. public meetings
- b. EV dealership flyers
- c. utility customer bill inserts
- d. radio and/or television advertisements
- e. webpage content

3. include in annual reporting a summary of efforts to meet requirements 1 and 2, as well as an accounting of the number of operating EV charging stations and the number of charging incidents.

(C) For transportation fuel supplied to a fleet of three or more EVs, a company operating a fleet (fleet operator) is eligible to be a regulated party. If the fleet operator elects not to be a regulated party, the ~~Electrical Distribution Company~~ Electricity Provider is eligible to be the regulated party provided there is a contract or other written evidence of mutual agreement that the fleet operator elects not to be the regulated party and is allowing the ~~Electrical Distribution Company~~ Electricity Provider to be the regulated party. For transportation fuel supplied to a fleet of less than three EVs, the ~~Electrical Distribution Company~~ Electricity Provider is eligible to be the regulated party. To receive credit for transportation fuel supplied to an EV fleet, the regulated party must include in annual reporting an accounting of the number of EVs in the fleet.

(D) For transportation fuel supplied through private access EV charging equipment at a business or workplace, the business owner is eligible to be a regulated party. If the business owner elects not to be a regulated party, the ~~Electrical Distribution Company~~ Electricity Provider is eligible to be the regulated party provided there is a contract or other written evidence of mutual agreement that the business owner elects not to be the regulated party and is allowing the ~~Electrical Distribution Company~~ Electricity Provider to be the regulated party. To receive credit for transportation fuel supplied through private access EV charging equipment at a business or workplace, the regulated party must:

1. actively educate employees on the benefits of EV transportation (including environmental benefits and costs of EV charging as compared to gasoline) through outreach efforts that may include, but are not limited to, the following:

- a. employee meetings
- b. employee flyers
- c. webpage content
- d. preferred parking

2. Include in annual reporting a summary of efforts to meet requirement 1, as well as an accounting of the number of EVs known to be charging at the business.

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We look forward to working with you on appropriate revisions to the program.

Sincerely,

Ralph J. Moran
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cc R. Corey - ARB
A. Sideco - ARB
M. Waugh - ARB