

November 17, 2014



(Transmitted via email: mwaugh@arb.ca.gov)

Mr. Michael S. Waugh, Chief
Transportation Fuels Branch
California Air Resources Board
1001 I Street
Sacramento, CA 95814

Re: Comments on October 2014 Low Carbon Fuel Standard Workshop

Dear Mr. Waugh:

The California Electric Transportation Coalition (CalEETC) appreciates the opportunity to comment on the Low Carbon Fuels Standard (LCFS) October 2014 workshop. CalEETC is a non-profit association with a board of directors that includes: Los Angeles Department of Water and Power, Pacific Gas & Electric, Sacramento Municipal Utility District, San Diego Gas & Electric and Southern California Edison.

First, we laud the California Air Resources Board (CARB) in the design and implementation of the LCFS. The regulation is designed to set a standard for the regulated industry and allow the industry to determine how best to meet that standard. This design has resulted in unanticipated innovation in both fuels and vehicles. Early implementation of the LCFS has demonstrated the effectiveness of the design in that the industry is over complying and credits are being generated from sources not originally anticipated during the development of the LCFS. CARB staff has meticulously considered all aspects of the regulation during this unfortunate legal delay and we appreciate the opportunity to provide some initial feedback.

CalEETC respectfully requests that the proposed revisions to the CA-GREET model be de-coupled from the more time-sensitive process to reauthorize the LCFS regulation. Extending the time for modifying CA-GREET will allow CARB staff to 1) revisit and revise incomplete or uncertain assumptions and inputs that are embedded in the proposed CA-GREET update, and 2) incorporate significant new peer-reviewed data that will emerge over the next six to twelve months.

CalEETC supports the staff's proposal to stay the course and meet a ten percent reduction in the carbon content of fuels sold in California. This is essential to providing market certainty for alternative fuel providers, particularly given the overwhelming market advantage the predominant fuel has in the transportation fuels sector. CalEETC supports either of the compliance curves suggested, straight line or more gradual, and encourages CARB staff to select the curve that best positions the regulated parties to comply with the LCFS. The most important component of the curve is the end result, a ten percent reduction in the carbon content of fuel by 2020.

CalEETC supports the staff's proposal for a credit clearance option to cost containment. However, it is essential that staff also develop a price floor for LCFS credits. Certainty for the regulated parties and credit generators requires both cost containment and price floor mechanisms.

Finally, regulatory certainty in the LCFS beyond 2020 is desirable. The LCFS has resulted in unanticipated market innovation. LCFS credits for electricity, while not the main market driver for electrification of the transportation sector, are a contributing factor to current and ongoing acceleration of electrification in the transportation sector.

CalETC will provide additional comments on additional subjects as the rulemaking process continues. We look forward to working with staff as this groundbreaking and essential regulation is re-adopted. Thank you for your consideration.

Regards

A handwritten signature in blue ink, appearing to read "EWT", is placed over a light yellow rectangular background.

Eileen Wenger Tutt, Executive Director
California Electric Transportation Coalition

EWT/kmg

cc: Manisha Singh (mansingh@arb.ca.gov)