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March 18, 2016

Ms. Anthy Alexiades
Mr. Jim Duffy
Ms. Ursula Lai
California Air Resources Board
1001 I Street
Sacramento, CA 95812

Subject: Los Angeles Department of Water and Power (LADWP) Comments on
California Air Resources Board (CARB) March 8, 2016 Low Carbon Fuel
(LCFS) Standard Workshop

The LADWP appreciates the opportunity to provide the following comments on the
March 8, 2016 Low Carbon Fuel Standard Workshop.

The LADWP is a vertically-integrated publicly-owned electric utility of the City of Los Angeles, serving a population of over 3.8 million people within a 465 square mile service territory cover the City of Los Angeles and portions of the Owens Valley. The LADWP is the third largest electric utility in the state, one of five California Balancing Authorities, and the nation's largest municipal utility. The LADWP's mission is to provide clean, reliable water and power in a safe, environmentally responsible and cost-effective manner.

The LADWP supports CARB's efforts in continuing to develop the LCFS and offers the following comments on monitoring and verification and credit transaction data.

LCFS Monitoring and Verification

The LADWP requests additional information regarding monitoring and verification as it relates to the electrical distribution utility (EDU) charging of electric vehicles (EVs) pathway (EL002) and the compressed North American natural gas delivered via pipeline pathway (CNG002).

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With regard to verification in general, the LADWP recommends CARB carefully weigh the cost-benefit tradeoffs when structuring the program, including an analysis of verification costs imposed on producers. LADWP believes an annual full-scale audit of entities producing LCFS credits via EL002 and CNG002 is unnecessary. The feedstock for both pathways will not change from year-to-year. All processes used to quantify fuel volumes under these pathways will similarly not change. If CARB were to require verification of entities producing credits via these pathways, the LADWP recommends audits every three years.

The LADWP agrees with other stakeholders' comments made during the workshop urging CARB to avoid duplicating efforts of other programs. LADWP also recommends verification protocols focus on the components most greatly affecting carbon intensity (CI), such as feedstocks.

LCFS Dashboard

The LADWP believes a robust and efficient market for LCFS credits depends in large part to transparency. The LADWP supports the release of aggregated data on the LCFS Dashboard, including but not limited to, volume of LCFS credit transfers, volume weighted average price, cumulative credits and deficits, and aggregate banked credits. We greatly appreciate CARB's sensitivity to protecting confidential business information and reiterate that individual entities should not be identified in data presented on the LCFS Dashboard.

Conclusion

The LADWP appreciates the opportunity to comment. If you have any questions or would like additional information, please contact Ms. Jodean Giese of my staff at (213) 367-0409.

Sincerely,



Mark J. Sedlacek
Director of Environmental Affairs

RH:pt
c: Jodean Giese