

BEFORE THE CALIFORNIA AIR RESOURCES BOARD

In the Matter of:

Low Carbon Fuel Standard Program

Pre-Rulemaking

Low Carbon Fuel Standard 2018 Amendments – Pre-Rulemaking Concept Paper

**JOINT PUBLICLY OWNED UTILITIES’ COMMENTS ON
LOW CARBON FUEL STANDARD 2018 AMENDMENTS –
PRE-RULEMAKING CONCEPT PAPER**

The Northern California Power Agency (“NCPA”), California Municipal Utilities Association (“CMUA”), and Southern California Public Power Authority (“SCPPA”) (“Joint POU’s”) respectfully submit these comments to the California Air Resources Board (“CARB”) regarding the *Low Carbon Fuel Standard 2018 Amendments – Pre-Rulemaking Concept Paper*¹ (“Concept Paper”) and the related public workshop held on August 7, 2017. In general, the Joint POU’s offer their strong support for the Concept Paper as it relates to electricity and electric vehicle charging. The comments below discuss our position in greater detail.

I. ANNUALLY UPDATE THE GRID ELECTRICITY PATHWAY

The current Low Carbon Fuel Standard (“LCFS”) program allows participating Electrical Distribution Utilities to generate LCFS credits for non-metered residential electrical vehicle (“EV”) charging. The carbon intensity (“CI”) of grid electricity is currently derived from the ninth edition of the U.S. EPA’s Emissions and Generation Resource Integrated Database (eGRID), which is incorporated into the California-modified Greenhouse gases, Regulated Emissions, and Energy use in Transportation (“CA-GREET”) model. As such, the CI for California electricity is based on the 2010 average California generation resource mix.

¹ Available: https://www.arb.ca.gov/fuels/lcfs/lcfs_meetings/080717conceptpaper.pdf

The California generation resource mix has changed significantly since 2010. According to electricity data from the California Energy Commission’s Quarterly Fuel and Energy Report (“QFER”)², renewable energy resources represented 25.45% of the Total System Electric Generation in 2016, nearly double the proportion of renewable energy in 2010 (13.9%). Similarly, coal and natural gas combined to supply nearly half of the state’s generation in 2010 (49.6%) compared to 40.5% in 2016. The increased reliance on renewable energy and decline of fossil fuel generation have reduced the carbon intensity of the state’s generation resource mix since 2010.

The Joint POU’s support the CARB staff position that the GREET12016 model developed by Argonne National Laboratory is appropriate to base the CA-GREET 3.0 model on, with modifications to incorporate California-specific technical information and to allow users to determine pathway-specific CI values. To this end, the Joint POU’s strongly support the staff proposal to update annually, using the most recently available QFER data, the Lookup Table (Table 6 of the existing LCFS regulation) pathway for California grid electricity used to calculate credits for electric vehicle charging.³ In so doing, the LCFS program will more accurately account for the GHG emissions reductions associated with EV charging that uses grid electricity.

II. MAINTAIN CURRENT RESIDENTIAL CHARGING PROVISIONS

Local publicly-owned electric utilities are uniquely positioned among EV charging providers to ensure that ***all*** current and future EV customers benefit from revenue generated by the sale of LCFS credits. Investments in community-wide EV infrastructure—including grid upgrades to support EV charging—is particularly critical to ensuring the continued growth of EV

² QFER CEC-1304 Power Plant Owner Reporting Form, total electricity system power data. Available at: http://www.energy.ca.gov/almanac/electricity_data/total_system_power.html.

³ *Concept Paper*, pg. 25

adoption. Unlike an automaker, which targets specific customer segments for their particular vehicles, POUs are focused on investments that benefit the full range of EV customers, including harder to serve markets, such as low-income households, multifamily dwellings, and small business customers. In this sense, POUs—local government agencies that share many of the same public service responsibilities as the State—are well equipped to satisfy the broader policy objective of ensuring our State’s incentive programs deliver equitable benefits to all Californians who drive an EV, regardless of make or model of the electric vehicle they use, or whether they own, lease, or participate in an EV sharing program. Furthermore, the LCFS program is a fuel regulation, not a vehicle regulation; LCFS credits should continue to be provided to the entities that supply the fuel, not consume it.

The current credit generation methodology for residential charging is effective and straightforward. The Joint POUs strongly encourage CARB to maintain this approach and resist calls for more complicated proposals that are not likely to provide the same level of equity to the diverse community of current and prospective EV customers. The LCFS program is a fuel regulation

III. INCLUDE PROCESS TO DISCUSS MORE COMPLEX PROPOSALS

A number of proposals have been presented to CARB late into this 2018 amendment process. CARB provided ample opportunity for discussion of issues over the past year with a series of public workshops and webinars. The Joint POUs very much appreciate the accessibility of CARB staff during this amendment process to answer questions and provide feedback on a myriad of technical and policy issues. To maintain program stability and to avoid adverse unintended consequences, at least in regards to electricity pathways, the Joint POUs urge CARB to include, as a part the 2018 amendments, a formal process for future deliberations of the more

complex pathway methodologies and proposals (i.e., Dedicated renewable energy generation for EV charging, verified lower electricity supply sources). Including such a process would ensure that the current amendments could be timely adopted and implemented, while allowing an avenue for addressing alternatives in the future.

The Joint POUs appreciate your consideration of these comments and we look forward to continuing our collaboration with CARB and other stakeholders to foster EV adoption and reduce GHG emissions from California's transportation sector.

Respectfully submitted,

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