



August 8, 2022

California Air Resources Board  
Low Carbon Fuel Standard Program  
Docket: lcfs-wkshp-july22-ws

Re: Comments on Updates to the LCFS Program proposed in the July 2022 Workshop

PineSpire appreciates the opportunity to provide feedback on proposed updates to the LCFS Program as discussed in CARB's workshop on July 7, 2022.

### Strengthen CI Targets and extending post-2030

This update to the program's Carbon Intensity targets is critical to long-term success and incentivizing further investment in low carbon fuels and vehicles. PineSpire supports the adoption of Scenario B as an easy decision based on the success and performance of low carbon fuels to date, and as essential to meeting the goals established in the Scoping Plan. We also support CARB's work to evaluate extending the program targets long-term.

### Credit Phase Outs send the wrong message and contradict CARB policy

We are concerned about the negative message to the EV industry from CARB's proposal to 'graduate' or 'phase-out' specific equipment from the regulation. While no specific information on how CARB would approach the criteria or process for phasing-out eligible equipment was provided, it would presumably apply to all eligible credit generation types. LCFS revenue has been proven to play a reliable and important role in the overall return on investment of electric vehicles. CARB's proposal would create uncertainty and undermine values at a critical time for companies looking to invest in electrifying their fleets.

Importantly, removing LCFS incentives with forklifts would undermine the efforts by CARB to complete and enforce a Zero Emission Forklift Rule. CARB has recognized the major financial impacts on businesses that are looking to comply with this upcoming regulation. These revisions based on stakeholder feedback include removing diesels from the rule, splitting Class IV and V lifts, extending timelines, delaying implementation, and introducing a phaseout fleet cap. All of these measures speak to the difficulty of 'going electric' for countless significantly sized forklift fleets in California. Taking away the LCFS 'carrot' at the same time CARB is introducing a new regulatory 'stick' makes compliance even more challenging for major fleet owners.

Further, there are still significant advances in technology, battery, equipment availability, and pricing to make electric forklifts viable across a range of outdoor/high capacity uses. Removing these from the LCFS program will further undermine adoption of electric options in these industries that face a greater cost differential compared to traditional forklifts.



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CARB's presentation framed this proposal as a means of focusing LCFS credit value on supporting more emergent technology. PineSpire suggests there are other measures, already proposed by CARB, such as strengthening CI standards, adjusting pathway evaluations to reflect broader impacts, and including all transportation fuels (i.e., jet fuels) to achieve this without impacting one stakeholder group to benefit another.

Address technology and platform basis of LCFS program

We recognize the integrity and security of the system is paramount, and appreciate CARB's work to maintain the data. We also recognize all platforms must evolve to remain functional, and at this time of evaluating extending CARB's program goals, it seems appropriate to also evaluate the tools needed to accomplish those goals well into the future.

PineSpire urges CARB to establish a process and budget for completing improvements to the LRT-CBTS system. We suggest including stakeholder inputs on the 'low-hanging fruit' that could reduce the need for CARB staff time in manual review of data as well as discussions on feasibility and security of opening the system to API integrations. PineSpire also wants to emphasize that more efficient technology lowers the barrier to entry and cost of participation, making it more feasible and financially rewarding for small businesses to engage in the program.

Thank you for consideration of our comments. We look forward to continuing the stakeholder input process on the rulemaking.

Sincerely

*Ryan Huggins*  
Principle  
PineSpire