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Clerk's Office  
California Air Resources Board  
1001 I Street  
Sacramento, California 95814

**Comments of the Center for Sustainable Energy® regarding the California Air Resources Board's (CARB's) Public Workshop to Discuss Potential Changes to the Low Carbon Fuel Standard (LCFS)**

The Center for Sustainable Energy® (CSE) appreciates the opportunity to provide comments regarding CARB's Public Workshop to Discuss Potential Changes to the LCFS program. CSE commends CARB's efforts to enhance this program and supports many of the proposed changes discussed during the workshop. CSE is excited to inform the development of these changes and help achieve California's zero-emission vehicle (ZEV) deployment goals.

CSE is a 25-year-old national nonprofit driven by one simple mission – decarbonize. We provide program administration, technical assistance, and policy advisement, and serve as a trusted resource helping government agencies implement successful clean energy and transportation programs. CSE provides these comments based on our experience designing, implementing, and evaluating statewide incentive programs in California, Connecticut, Massachusetts, New Jersey, New York, Oregon, and Vermont, which collectively translates to over \$1 billion worth of program value under management. In California, CSE administers the Clean Vehicle Rebate Project (CVRP) on behalf of CARB and the California Electric Vehicle Infrastructure Project (CALeVIP) on behalf of the California Energy Commission (CEC).

CSE generally supports CARB's potential changes to the LCFS program, including the proposal to expand the capacity credits for the Fast Charging Infrastructure (FCI) and Hydrogen Refueling Infrastructure (HRI) crediting pathways to better support medium- and heavy-duty (MD/HD) vehicles, the proposal to incorporate equity more holistically throughout the program, and the proposal to align goals across programs and jurisdictions. Specifically, CSE offers the following recommendations:

1. Expand the FCI and HRI crediting pathways to support MD/HD infrastructure deployment.
2. Ensure a holistic approach to equity by harmonizing equity definitions and eligibility criteria and adopting precise evaluation metrics.
3. Adopt program targets that provide long-term certainty and promote coordination across programs, agencies, and jurisdictions.

CSE's responses are discussed in detail below.

### **1. Expand the FCI and HRI crediting pathways to support MD/HD infrastructure deployment.**

CSE supports CARB's proposal to expand the capacity credits under the FCI and HRI crediting pathways to better support MD/HD vehicles and fleets. Reducing emissions from these vehicles will be critical in achieving California's decarbonization goals, as MD/HD vehicles constitute a significant source of greenhouse gas, nitrogen oxide and particulate matter emissions. The FCI and HRI credit pathways already provide a valuable revenue stream for site owners who have installed ZEV infrastructure. Adjusting these credit pathways to better support MD/HD vehicles will be especially important given the higher capital, operational, and electricity costs associated with MD/HD charging and refueling. Additionally, the credit revenue from these pathways will help fleet owners and operators comply with the requirements under the Advanced Clean Fleets, Innovative Clean Transit, and Zero-Emission Airport Shuttle regulations.

CSE also encourages CARB to enhance program transparency by highlighting the value of LCFS credits as a revenue stream and clarifying which entities are eligible to obtain this revenue. Fleets with limited EV experience may decide to delegate infrastructure deployment and charging services to a charging network provider, who would then be eligible to receive any credit revenue and would not be required to inform the fleets of the value of this revenue. To address this issue, CSE encourages CARB to prepare informational materials, conduct outreach to fleets, and require charging providers to disclose how much revenue is being generated.

While CSE offers limited feedback in response to the questions highlighted in the workshop, CSE encourages CARB to work with utilities, the Independent System Operator (ISO), and other stakeholders to identify power capacity constraints and other considerations necessary to ensure that MD/HD electric vehicle charging does not place unnecessary strain on the electrical grid. Utility coordination will also help ensure that projects funded under the LCFS program complement the utilities' MD/HD make-ready and other transportation electrification projects.

CSE also encourages CARB to work with industry stakeholders to standardize charging connector types and promote communication protocols that enable managed charging, vehicle-grid integration (VGI), and other grid management strategies. Additionally, while CSE supports the proposal to limit credit generation once revenue exceeds station capital costs, CSE notes that these capital expenses are not well understood and may vary across station types. Accordingly, CSE recommends CARB maintain flexibility in determining the crediting period of these pathways until more reliable data is available.

### **2. Ensure a holistic approach to equity by harmonizing equity definitions and eligibility criteria and adopting precise evaluation metrics.**

CSE supports CARB's efforts to implement a holistic approach to equity within the LCFS program and commends CARB and the California Public Utilities Commission (CPUC) for utilizing utilities' LCFS holdback credit revenue as a reliable funding source for equity programs. This commitment solidifies the

LCFS as a reliable funding stream for equity programs. CSE encourages CARB to expand on this commitment by implementing the following actions: (1) Harmonize equity definitions and eligibility criteria and (2) Utilize more precise evaluation metrics.

First, CSE recommends that CARB work across programs and agencies, and potentially with the Legislature, to harmonize equity program definitions and eligibility requirements, where possible. Clean transportation programs in California currently utilize a myriad set of equity definitions and eligibility criteria. For example, the investor-owned utilities' holdback credit equity projects, including pre-owned EV rebate programs, define "low-income" in terms of percent of Area Median Income (AMI). However, other transportation equity projects funded by CARB, including Clean Cars 4 All, determine eligibility based on an applicant's income level as a percent of federal poverty level (FPL). CSE recommends CARB address this discrepancy by adopting a consistent definition for "low- and moderate-income" that can be used to determine eligibility for both consumers and communities across programs. Aligning equity definitions and adopting standardized eligibility requirements will enhance applicant clarity, facilitate program participation, and help track progress across ZEV and ZEV infrastructure programs.

Second, CSE supports CARB's efforts to utilize precise evaluation metrics to track program progress towards State goals, inform future decision-making, and ensure that public funds are being effectively utilized. To the extent possible, CSE encourages CARB to standardize performance metrics across programs to allow for aggregated assessment and cross-program comparison. Metrics can also be designed to assess both economic and non-economic benefits that can track progress towards achieving the State's equity goals. Additionally, CSE encourages CARB to adopt metrics that are directly tied to program goals. For example, programs seeking to reduce pollution could track GHG reductions, whereas programs seeking to increase ZEV ownership could track incentive disbursement. Metrics can also be used to track progress in overcoming previously-documented inequities. For example, the latest draft of the CEC's Senate Bill (SB) 1000 report highlights the lack of equitable EV infrastructure deployment in disadvantaged, low-income, rural, and tribal regions.<sup>1</sup> Assessment metrics using these baselines can help inform efforts to provide better, more targeted support to priority individuals and communities.

### **3. Adopt program targets that provide long-term certainty and promote coordination across programs, agencies, and jurisdictions.**

CSE strongly supports CARB's proposed principles for alignment, including utilizing targeted market signals to incentivize long-term projects and supporting exportability of the program to other regions. Adopting long-term market signals will be important in incentivizing the private sector to invest in ZEVs and other zero-emission technologies. Accordingly, CSE encourages CARB to establish robust, long-term Carbon Intensity (CI) targets that drive progress towards California's clean transportation and

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<sup>1</sup> California Energy Commission, Electric Vehicle Infrastructure Deployment Assessment – SB 1000.  
<https://www.energy.ca.gov/programs-and-topics/programs/clean-transportation-program/electric-vehicle-infrastructure>

decarbonization goals. CSE notes that this recommendation is consistent with Governor Newsom's direction to CARB, as outlined in a recent letter from the Governor.<sup>2</sup>

CSE also encourages CARB to coordinate with other agencies to ensure that clean transportation programs are complementary and additive, especially with respect to the equity considerations outlined above. This coordination will be increasingly important given the number of clean transportation programs across CARB, CEC, and the CPUC, as well as the federally-funded National Electric Vehicle Infrastructure (NEVI) formula program and the ZEV programs outlined in the Governor's Proposed Budget.<sup>3</sup>

Lastly, CSE supports CARB's efforts to promote the adoption of clean fuel standard programs in other jurisdictions. While Oregon has successfully implemented a clean fuel standard and Washington is in the process of doing so, there are several jurisdictions that have failed to pass such a policy. CSE encourages CARB to help promote the viability of these programs by highlighting the successes of the LCFS program in reducing greenhouse gas emissions, displacing fossil fuel usage, and funding equity initiatives.

## Conclusion

CSE appreciates the opportunity to provide comments in response to CARB's Public Workshop to Discuss Potential Changes to the Low Carbon Fuel Standard. CSE commends CARB's efforts to improve the LCFS and ensure progress towards California's clean transportation, decarbonization, and equity goals.

Sincerely,



Kinshuk Chatterjee  
Senior Transportation Policy Analyst  
Center for Sustainable Energy®  
3980 Sherman St., Suite 170  
San Diego, CA 92110  
Tel: (858) 244-1177  
[kinshuk.chatterjee@energycenter.org](mailto:kinshuk.chatterjee@energycenter.org)

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<sup>2</sup> Office of Governor Gavin Newsom, Governor Newsom Calls for Bold Action to Move Faster Toward Climate Goals.

<https://www.gov.ca.gov/wp-content/uploads/2022/07/07.22.2022-Governors-Letter-to-CARB.pdf?emrc=1054d6>

<sup>3</sup> Office of Governor Gavin Newsom, Governor Newsom Outlines Historic \$10 Billion Zero-Emission Vehicle Package to Lead the World's Transition to Clean Energy, Combat Climate Change.

<https://www.gov.ca.gov/2022/01/26/governor-newsom-outlines-historic-10-billion-zero-emission-vehicle-package-to-lead-the-worlds-transition-to-clean-energy-combat-climate-change/>