California Electric Transportation Coalition

August 8, 2022

Sent via email to LCFSworkshop@arb.ca.gov

Re: July 7 Workshop on Low Carbon Fuel Standard (LCFS) Amendments

Dear Ms. Laskowski:

CalETC appreciates this opportunity to comment on the July 7 workshop on the Low Carbon Fuel Standard (LCFS). CalETC supports and advocates for the transition to a zero-emission transportation future to spur economic growth, fuel diversity and energy independence, ensure clean air, and combat climate change. CalETC is a non-profit association committed to the successful introduction and large-scale deployment of all forms of electric transportation including plug-in electric vehicles (EVs) of all weight classes, transit buses, port electrification, off-road EVs and equipment, and rail.

CalETC strongly supports the need for CARB to implement a more stringent LCFS by January 2024. We were pleased to hear the January 2024 effective date mentioned in the workshop. Modifications to the LCFS regulations have typically been made every one to three years so this rulemaking is urgently needed to cover a wide range of topics.

CalETC supports increasing the stringency of the LCFS compliance target in both the pre-2030 and post-2030-time frames. The LCFS has been a very successful program as part of a broad package of regulations and incentives to address climate change. For the LCFS program to continue to be successful, the annual compliance requirements on regulated parties should be strengthened and extended. Currently, the LCFS credit market suffers from market oversupply issues. When the 2030 standard was adopted, the California Air Resources Board (CARB) Board made it clear the standard could be adjusted if market circumstances called for adjustment. *CARB must expeditiously address this market supply issue*; increasing the overall stringency of the LCFS regulation is one way to accomplish this. At a minimum, the stringency of LCFS's carbon intensity reductions in the compliance target for deficit generators in 2030 should be 25 percent. We believe 30 percent in 2030 is also feasible, but we want to verify that belief by seeing the results of modeling prior to providing additional comments on pre- or post-2030 requirements.

CalETC supports expanding LCFS capacity credits to truck and bus fleets of fuel cell, battery electric, and plug-in hybrid vehicles to 2035. The ZEV infrastructure provision for medium- and heavy-duty vehicles should cover Hydrogen Refueling Infrastructure (HRI) and Direct Current (DC) Fast Charging Infrastructure (FCI). California has just started its journey to attain net zero emissions for the medium- and heavy-duty vehicle sector and the state needs to dramatically accelerate EV adoption and supporting infrastructure. Medium- and heavy-duty EV and hydrogen fleets expect the ZEV infrastructure (including public-access) to be in place before committing to purchasing ZEVs. In addition, the costs are much higher for this medium- and heavy-duty ZEV infrastructure compared to ZEV infrastructure for light-duty vehicles. California's infrastructure for both electricity and hydrogen should stay ahead of demand for the medium-and heavy-duty ZEVs to ensure the trucks can operate and fulfill duty cycles specific to their needs.

With regard to several of the questions CARB asked at the workshop related to medium- and heavy-duty capacity credits, CalETC provides the following responses:

- Support public access requirements with the understanding that larger fleets with secure fueling sites will generate the standard LCFS credits for the electricity or hydrogen fuel they use.
- An important goal is a program design that results in charging plazas and refueling stations being able to exit the capacity credit program.
- Oppose CARB adding geographic limitations for location of charging plazas and refueling stations, including limiting proximity of plazas /stations, or requiring specific locations. Local regulations for permitting and zoning and the market considerations should be allowed to operate without LCFS or CARB directing station location.
- Oppose requirements for connectors at this time. The industry has not yet settled on a connector and there are several options available, some of which do not yet have standards adopted or certification processes. The program should allow for flexibility and allow the market to develop and further improvement in charging design to take place.
- Recommend against CARB adding requirements on topics such as payment, signage, disability access, permitting and meter accuracy as these are already in existing California regulations.
- Request that dual-use charging plazas and refueling stations that can serve both light-duty vehicles and medium-and heavy-duty vehicles be allowed, as well as plazas and stations that only serve medium-and heavy-duty vehicles.

CalETC supports extending the current light-duty capacity credit program to align with Advanced Clean Car II goals for 2035. With the upcoming adoption of Advanced Clean Cars, California is dramatically accelerating the adoption of light-duty ZEVs and plug-in hybrid EVs. The State needs support for ZEV infrastructure to meet the expanding need for DC fast charging and hydrogen stations. Allowing new applications for the existing light-duty FCI and HRI programs until 2035 will address the ambitious Advanced Clean Car II requirements for light-duty ZEVs.

CalETC opposes removing zero-emission forklifts from the LCFS. CalETC believes there is no basis for defining “mature fuels” as ineligible for LCFS credits. The LCFS is intended to reduce the carbon content of fuels and reduce the use of oil in the transportation fuels market. Any definition of “mature fuels” (for generating LCFS credits) would be arbitrary and at minimum have unintended consequences. While we agree that there are too many credits in the LCFS market, the best regulatory tool is to increase the stringency of the carbon intensity reduction requirements on deficit generators in LCFS.

CalETC supports expanding LCFS to new sectors. We support expanding LCFS to include new types of transportation (e.g., sea and air transport). Including new types of transportation will further necessitate increasing the stringency of LCFS. The Low Carbon Fuel Standard is a successful tool for decarbonizing transportation and should be expanded to other types of transportation given the climate crisis.

We encourage CARB to work with the equity community and clean fuels community and address equity concerns for all of the fuels. The LCFS is designed to deter use of high-polluting fossil fuels in communities including priority communities. Replacing combustion engine vehicles with zero-emission cars, trucks, and equipment is a shared objective within the equity community and CalETC. Utility programs funded by LCFS are also designed to address equity needs. In the current LCFS, electricity is the only fuel subject to equity requirements, despite it being a zero-emission fuel which is preferred by priority communities. CARB should address equity concerns for all of the fuels eligible to generate credits in LCFS either in the new rulemaking or through some other appropriate method.

CalETC supports the inclusion of other zero-emission fuels and applications into the LCFS. CalETC has long been concerned that natural gas and biofuels can earn LCFS credits in some end uses when electricity cannot earn credits in these end uses due to a lack of an energy economy ratio (EER). CalETC continues to recommend adding the following options for any ZEV end uses: 1) similar to the development of new pathways, CARB's executive officer would approve new EERs submitted by proponents or industries, and 2) a conservative default EER should be established in the regulation that can be used for any remaining end uses that do not have an EER (possible examples include truck stop electrification, electric recreational boats, electric agricultural and mining equipment, electric sweepers/scrubbers, electric tow tractors, electric planes, electric locomotives and other electric off-road or marine equipment). ZEV fuels are the only type of credit-generating fuel in the LCFS where some end uses of the ZEV fuel are not eligible to earn credits. This oversight should be rectified.

Thank you for your consideration. CalETC looks forward to working with staff on this important regulation.

Regards,

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California Electric Transportation Coalition

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