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November 5, 2020

California Air Resources Board
1001 I Street
Sacramento, CA 95814

ChargePoint comments on October 14, 2020 public workshop on potential LCFS regulation amendments

ChargePoint would like to thank staff for hosting the public workshop on October 14 to discuss potential amendments to the California Low Carbon Fuel Standard (LCFS). We appreciate the opportunity to provide feedback regarding potential regulatory changes to the LCFS market. The LCFS is becoming a bigger part of the electric vehicle supply equipment (EVSE) market and we believe that with the continuation of the LCFS' overarching structure, the market can deliver on California's low-carbon alternative fuel and greenhouse gas (GHG) reduction goals.

Our comments address several potential amendments raised in the October 14 workshop. To help pinpoint which potential amendment we are referring to, we reference the slide number below where the potential amendment was introduced in the public workshop.

<u>Third-Party Verification of Electricity Transactions (slide 34) and Data Accuracy Provisions (slide 25)</u>

In December 2019, the California Division of Measurement Standards (DMS) finalized rules for measuring and verifying meter tolerance in electric vehicle supply equipment, formalizing national guidelines governing electric vehicle fueling systems set forth in the National Institute of Standards and Technology (NIST) Handbook 44. Among other things, DMS rules require testing and field validation of station meters to a certain accuracy of 1% for level 2 (L2) and 1 – 2.5% for DC fast charge (DCFC), starting in 2021 for L2 and 2023 for DCFC. ChargePoint has always gone the extra mile to ensure accurate and transparent delivery of electricity to drivers and ease of reporting, and we have in fact voluntarily met these accuracy thresholds long before these were formally standardized. Our network operating system enables simple and streamlined reporting with the highest accuracy, so energy (kWh) reports can be queried and downloaded in Excel format in seconds. Requiring third-party verification, where presumably all a third-party verifier would do is audit this report, seems unnecessary and excessive from a regulatory standpoint, and would siphon credit proceeds away from reinvestment in transportation electrification (TE) and increase the cost of the program. The LCFS' 10-year record retention and right to audit provisions provide additional assurances that quarterly fuel transaction reports are carefully reviewed and filed for future transparency. These statewide standards and program requirements combined – DMS standards and LCFS 10-year audit provisions – therefor already provide assurance that metered fuel (kWh) reported in quarterly electricity fuel transaction reports is being reported accurately and transparently.

Fuel Supply Equipment (FSE) Registration (slide 31 & 32)

Rules governing the transferability and registration of FSE within the program have a subtle but important impact on clean fuels infrastructure investment, especially with regards to EVSE deployment. Maintaining flexibility and ease of FSE transferability and registration is important in allowing project counterparties (EVSE manufacturer, EVSE owner/operator, third party financier) to allocate the administration and credit value across the parties in a way that fits all parties. Some entities in the market are better equipped to manage the program than others, and so enabling simple FSE transferability lessens the overall cost of the program and creates a more efficient market. The current regulatory framework is relatively straightforward and enables this efficiency. We urge staff to keep this in mind as it considers changes to the FSE registration, designation, and de-registration rules. Prescribing overly rigid FSE registration and transfer requirements will hinder certain contract structures and therefor EVSE investment/deployment, and risk negatively effecting market participation.

Electricity Credit Proceed Spending Requirements (slide 26)

ChargePoint supports the general reinvestment of credit proceeds towards furthering California's TE goals in line with our comments to guidance document 20-03, and further supports CARB's proposal to limit spending of credit proceeds on administration. As more credits come under management of aggregators, more value will likely be spent on administration. There is a concern that aggregators entering the market today have had no historical stake in TE in California and have no direct avenue to reinvest (as opposed to entities who's entire business model is aligned with the LCFS' program objectives). This growing credit proceed expenditure towards administration represents value lost from the system and does not contribute to program goals, namely investing in decarbonizing transportation.

First Fuel Reporting Entity for eOGV, eCHE, eTRU and eforklifts (slide 30)

We supports staff's consideration of changing the first fuel reporting entity for electric forklifts to the owner of the charging equipment used for fueling. Given the stationary nature of forklift fleets and the push for industry-wide metering standardization within the EVSE industry, using EVSE data for electric forklift crediting is most logical.

ChargePoint appreciate staff's work on the LCFS program and stands ready to deliver more transportation emissions reductions through electrification.

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Sincerely,

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