

October 16, 2024

Honorable Chair Liane Randolph and Honorable Board Members California Air Resources Board
1001 I Street
P.O. Box 2815
Sacramento, CA 95812

Re: SUPPORT Proposed Second 15-day Change Amendments to the Low Carbon Fuel
Standard Regulation

Submitted to <https://ww2.arb.ca.gov/applications/public-comments>

Dear Chair Randolph and Honorable Board Members:

The Electric Vehicle Charging Association (EVCA) and CalETC appreciate this opportunity to SUPPORT the Low Carbon Fuel Standard (LCFS) regulation and provide feedback for the California Air Resources Board (CARB) Board member consideration. This letter largely supports the proposed draft regulation order (“draft order”) dated August 12, 2024, version (“15-day changes”) with the additional October 1, 2024, modifications (second 15-day changes). We also appreciate the tremendous effort and accessibility of CARB staff during the extensive public process leading up to this hearing. We believe that a few remaining implementation issues on verification for electricity can be worked out in a future guidance document, a workshop or FAQ for verifiers and positive statements in the Final Statement of Reasons.

EVCA is a not-for-profit trade organization of twenty leading EV charging industry member companies and two zero-emission autonomous fleet operators. The association was established in 2015 to comprehensively represent the entire EV charging value chain and provide a collective industry voice for decision makers.

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 of all weight classes, transit buses, port electrification, off-road electric vehicles and equipment, and rail. Our board of directors includes Los Angeles Department of Water and Power, Pacific Gas and Electric, Sacramento Municipal Utility District, San Diego Gas and Electric, Southern California Edison, the Northern California Power Agency, and the Southern California Public Power Authority. Our membership also includes major automakers, manufacturers of zero-emission trucks and buses, developers and operators of charging stations and other industry leaders supporting transportation electrification. 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.

Over the past 10 years, the LCFS has been tremendously successful in supporting the transition from petroleum to cleaner transportation fuels including electric fuel. Clean low-carbon fuels have replaced a percentage of petroleum and, in doing so, have reduced climate change pollutants as well as a myriad of air and toxic pollutants that adversely impact communities. LCFS has served as a catalyst for billions of dollars of investments in clean fuels and infrastructure. We have been participating in staff workshops for several years and have had several constructive conversations with staff in that time. We very much appreciate their accessibility and commitment to LCFS.

A large and diverse coalition of EV industry stakeholders supports LCFS. In March 2024, twenty-eight stakeholders including EVCA and CalETC sent a letter to Governor Newsom supporting the LCFS as proposed in January 2024. See appendix A. Since that time, the EV provisions in LCFS have only improved.

We support the Fast Charging Infrastructure (FCI) programs in LCFS. In the first and second 15-day changes, the FCI programs for light- and medium-duty direct current fast charging (DCFC) and for heavy duty DCFC are dramatically improved. We strongly support and thank CARB for creating a workable program. The proposed FCI provisions are two well-designed programs that, like the current FCI, will be effective in helping to attract capital to build public DC fast charge stations in California by helping to de-risk investment. The FCI programs address the “chicken and egg” infrastructure problem associated with development of DCFC stations. One of its most attractive aspects is that it results in charging plazas and refueling stations being able to exit the FCI program and transition to traditional LCFS credits. Put another way, both FCI and hydrogen refueling infrastructure (HRI) capacity credits decrease over time as the utilization of the stations increases and the station generates more traditional LCFS credits. FCI credits are also critically important for supporting ongoing operating costs for fast chargers and helping enhance station reliability. With charging experience topics emerging as a state and national priority, EVCA and CalETC assert that FCI credits will be important for driving consumer confidence in EVs and charging technology – particularly at stations that have yet to achieve robust levels of utilization.

We support improvements to the verification provisions and look forward to working with CARB on implementation details. EVCA and CalETC appreciate and supports the changes proposed in the verification sections and agree with the rationale provided in the second 15-day change notice:

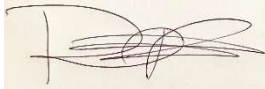
- 1) In subsection 95500(b)(2)(B), staff proposes to increase the threshold for verification deferral for hydrogen and electricity-based transactions from 6,000 credits to 10,000 credits.
- 2) In subsection 95500(c)(1)(E), staff proposes to delay the implementation of the verification requirement for hydrogen and electricity-based transactions by one year.
- 3) In subsection 95501(b)(3), staff proposes to clarify the site visit requirement for verification services by explicitly stating that in order to verify a Quarterly Fuel Transactions Report, a verifier must visit the central records location annually, which may be the company headquarters. When necessary, verifiers are expected to conduct risk-based site visits to fueling supply equipment (FSE) or fuel dispensing facilities

based on the verifiers' professional judgment, but in many cases will only need to visit the central records facility.

Regarding bullet three above, we look forward to working with CARB on the details of implementation regarding risk-based site visits for meter accuracy.¹ For example we respectfully ask for additional clarity in the FSOR, a future 2025 guidance document and a workshop or FAQ to educate verifiers regarding existing meter accuracy regulations established by the California Department of Food and Agriculture's Division of Measurement Standards (DMS), the CPUC and the governing boards of POUs.² These regulations include enforcement and cover almost all private and public locations in California with very few exceptions.³

We appreciate the opportunity to comment on these important changes to the LCFS regulation. Thank you for your consideration.

Regards,



Reed Addis
Governmental Affairs
Electric Vehicle Charging Association



Laura Renger, Executive Director
California Electric Transportation Coalition

cc: Rajinder Sahota
Matthew Botill
Jordan Ramalingam

¹ Per Section 95501 (b)(3) regarding site visits and in Section 95501(b) (4) regarding sampling plans and in Section 95491.2. regarding measurement accuracy and data provisions.

² Please see the August 27 and February 20 letters by EVCA-CalETC for additional details and justification.

³ From the DMS FSOR on EVSE page 29: *"If an EVSE meets the definition of a device used for commercial purposes in the law and is not included in the list of exceptions in paragraph A.2. then the Department requires it to comply with this regulation, be type approved, and periodically tested and sealed by county officials. Those phrases are only part of examples written in the ISOR to clarify that if an EVSE is not used for commercial purposes, is not owned, maintained, and operated by a public utility or municipality, or if the owner of the EVSE does not bill the purchaser for the amount of electricity dispensed to the vehicle, then it is a device exempt from the proposed requirements in NIST Handbook 44, Section 3.40."* Further the DMS FSOR states: *"However, 'commercial purposes' is a phrase defined by the legislature in BPC § 12500(e). The Department chooses to use it in this proposed regulation to harmonize it with California law."* We note that the IOUs and POUs in California have their own meter accuracy requirements. However, regarding submeters, the IOUs subject to Decision (D). 22-08-024 must use DMS rules and rely on the DMS provisions for enforcing meter accuracy.



March 12, 2024

Governor Gavin Newsom
1021 O Street, Suite 9000
Sacramento, CA 95814

Re: Support for the Low Carbon Fuel Standard

Dear Governor Newsom,

We strongly support California's commitment to reducing greenhouse gas (GHG) emissions and achieving carbon neutrality to prevent climate change and improve air quality. To that end, we applaud the light-duty zero emission vehicle (ZEV) sales requirements by the California Air Resources Board (CARB) calling for approximately 6 million ZEVs on the road by 2030 and 14 million by 2035ⁱ, as well as CARB's ZEV requirements for sales of medium-, heavy-duty, and off-road vehicles. We recognize that the state's investments in ZEVs and charging infrastructure have led to record breaking ZEV sales, ZEVs becoming a top California export, and has spurred major advances in manufacturing and job creation to support the ZEV and charging infrastructure markets. However, California still has a long way to go to reach our climate and ZEV goals, and we must utilize every tool available to achieve them. That is why we strongly support CARB's Low Carbon Fuel Standard (LCFS). CARB is currently considering substantial amendments to the LCFS that would strengthen the regulation and we believe that the adoption of a strong LCFS is critical to ensure the equitable adoption of ZEVs for all Californians.

The LCFS supports zero emission vehicle and charging infrastructure adoption. The LCFS supports both the increase in ZEV adoption and the development of charging infrastructure needed to support all

types and sizes of ZEVs.ⁱⁱ Over the past 10 years, the LCFS has spurred the transition from petroleum to electricity, reducing greenhouse gas emissions and a myriad of air and toxic pollutants that disproportionately impact low-income and disadvantaged communities. The LCFS has also served as a catalyst for billions of dollars of investments in ZEVs and charging infrastructure and will continue to attract large amounts of private capital to the state. In addition, the LCFS has the added benefit of not relying on funding from either the California state budget or from California utility customers.

Under the current LCFS program, California's electric utilities invest credit proceeds in zero emissions programs. Highlights of past LCFS-funded programs include:

- Statewide California Clean Fuel Reward Program that provided rebates to over 400,000 electric vehicle customers;
- Pre-owned EV rebate programs, with increased incentives for low-income customers;
- Incentives for residential chargers and installation for low-income communities;
- Programs that directly install and fully cover the cost of chargers at multi-family residences in disadvantaged communities;
- Rebates for electric drayage truck purchases; and
- Grants to community-based non-profit organizations to promote adoption of EVs.

Under the proposed amendments to the LCFS, the electric utilities will spend almost 80% of their total credit proceeds on ZEV and charging infrastructure programs that benefit equity communities.ⁱⁱⁱ The utilities will also launch a statewide rebate program to support medium- and heavy-duty electric vehicles and will use remaining credit proceeds to support programs tailored to their service areas, building upon those highlighted above. CARB's 2022 Scoping Plan Update relies on the support for electrification that will be funded by the LCFS. Without this funding, these utility programs are not likely to exist and many low- and middle-income customers would be left behind.

LCFS programs lead to downward pressure on electric utility rates. There are many reasons why utility electric bills are going up. However, one of the few things that supports the reduction of rates or what is called downward pressure on electric rates is transportation electrification. Increasing electricity usage through transportation electrification can reduce rates for all customers because fixed capital costs are spread over more electricity sales and charging shifted to off-peak times. A Synapse/NRDC study on the downward rate pressure dynamic found:

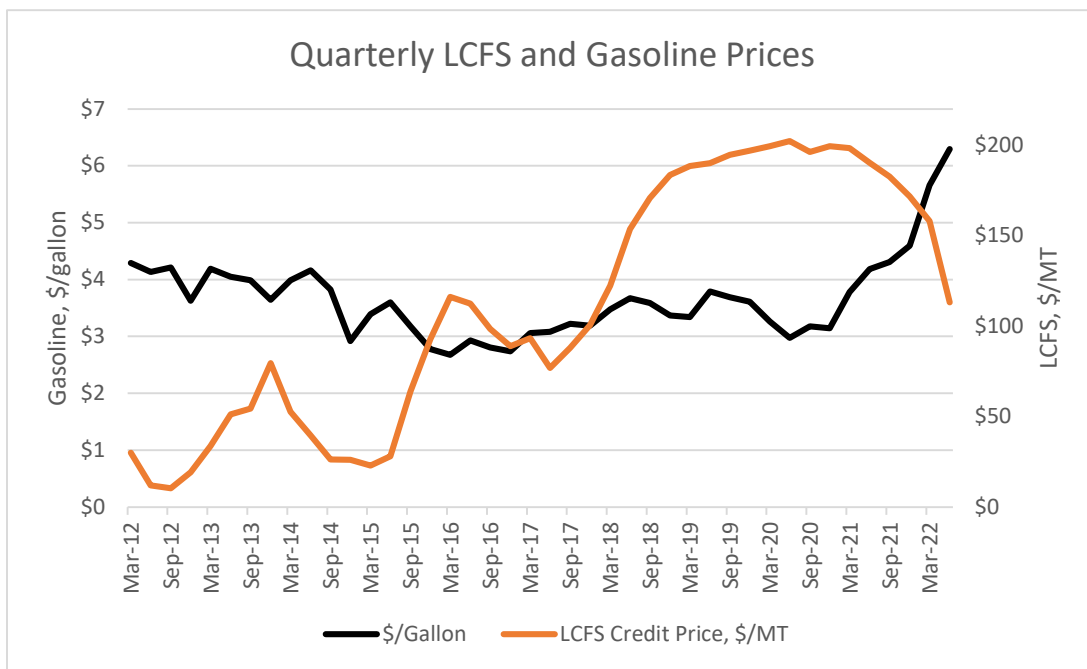
"...that over the last decade, EV drivers in PG&E's, SCE's, and SDG&E's service territories have contributed approximately \$1.7 billion more in revenues than associated costs, driving rates down for all customers."^{iv}

Furthermore, when utilities utilize LCFS credit proceeds instead of funds from the utility rate base for transportation electrification programs, it accelerates increased usage of the electricity system and compounds the ability to create downward pressure on rates even further.

LCFS enables Californians to switch to electricity for their transportation fuel, which will help all Californians spend less money in total on their energy bills. Electrification saves customers money

by reducing their reliance on expensive fossil fuels, even when factoring for the grid upgrades needed to support electrification.^v And according to CARB's analysis, the current and proposed LCFS improves access of low-income, disadvantaged, and rural communities to ZE transportation^{vi} by making it more affordable.^{vii}

LCFS's impact on gasoline prices is overstated and market pressures from EV adoption will help lower prices at the pump. As shown in the graph below, there has been no direct, quantifiable link between quarterly LCFS prices and the price of gasoline.^{viii} While there may be impacts to retail gasoline prices from LCFS compliance, the correlation between the LCFS and gasoline prices is not nearly as significant as global macroeconomic and other factors that play a much larger role in influencing gasoline prices. It is difficult to predict how the oil industry will respond to increased stringency in LCFS with respect to consumer pricing of gasoline and diesel because the impact of increased LCFS stringency on gasoline prices is overshadowed by other factors. There are no requirements or assurances that compliance costs be put into the cost of a particular fuel, or that those costs associated with a particular fuel be recouped in the prices for that fuel, as opposed to any other fuel. Additionally, oil companies are getting much larger profits from California refineries as compared to refineries in other states, and oil companies do not have to pass on costs to consumers.^{ix} Instead, they could simply realize the profit margins they had in the past, or what they realize in other states.^x



Further, as gasoline faces increased competition from electricity and other low-carbon fuels,^{xi} experts indicate that fuel diversification of these less costly fuels puts price pressure on gasoline and diesel, further muting the impact of LCFS.^{xii} For example, an International Council on Clean Transportation study found that "oil prices will be lower in the future if low-carbon transportation technologies are mass deployed, as these technologies will drive a significant reduction in global

demand for oil.”^{xiii} Pressure from EVs and other less expensive low carbon fuels will help create a free market for transportation fuel and remove gasoline’s inelastic price.

For the reasons detailed above, we strongly encourage you to support the Low Carbon Fuel Standard. Please do not hesitate to contact us if you have any questions or would like additional information.

Best,

Curt Augustine
Senior Director of State Affairs
Alliance for Automotive Innovation

Laura Renger
Executive Director
California Electric Transportation Coalition
(CalETC)

Nicole Hutchinson
State Policy Director
CALSTART

Rocky Fernandez
Director of Government Affairs
Center for Sustainable Energy

A.K. Venus Jenkins
Chief Executive Officer
ChargeNet Stations

Terry Crowley
Utility Director
City of Healdsburg

Dean Batchelor
Director of Utilities
City of Palo Alto

Michelle Avary
VP External Affairs North America
Einride

Reed Addis
Governmental Affairs
Electric Vehicle Charging Association (EVCA)
Anthony Willingham
Government Affairs & Public Policy Lead –
State Government
Electrify America

Noah Garcia
Manager, Market Development and Public
Policy
EVgo

Suncheth Bhat
Chief Business Officer
EV Realty

Adam Browning
EVP Policy & Communications
Forum Mobility

Renee Samson
Director of Public Policy
FreeWire

Sam Arons
VP, Business Operations & Strategy
Gage Zero

Alexandria Reed
EV Policy Strategist, Global Public Policy
General Motors (GM)

Jane Israel
Senior Western Regional Manager
Highland Electric Fleets

Vice President, Government & Utility
Relations
Voltera

Simon Zewdu
Senior Assistant General Manager
Los Angeles Department of Water & Power
(LADWP)

Apoorv Bhargava
Chief Executive Officer
WeaveGrid

Lydia Krefta
Director, Clean Energy Transportation
Pacific Gas & Electric (PG&E)

Nicholas Raspanti
Senior Director, Business Development &
Policy
Zeem Solutions

Alexis Moch
Director, Government Affairs
Prologis

Frank Girardot
Senior Director of Communications
RIDE Mobility

Scott Davidson
Chief Executive Officer
Revolv

Paul Lau
Chief Executive Officer
Sacramento Municipal Utility District (SMUD)

Alexandria Moffat
Director, Clean Transportation
San Diego Gas & Electric (SDGE)

Tim McRae
SVP Sustainable Growth
Silicon Valley Leadership Group (SVLG)

Rosalie Barcinas
Director of Electrification & Customer
Services Policy
Southern California Edison (SCE)

Thomas Ashley

cc: Liane Randolph
Steven Cliff
Rajinder Sahota
Assembly Speaker Robert Rivas
Senate President Pro Tempore Mike McGuire

ⁱ Calculations in comments from Natural Resources Defense Council regarding CARB's Advanced Clean Cars II regulation. May 2022. Page 5, <https://www.arb.ca.gov/lists/com-attach/403-accii2022-UD4GclcyUGBXDIMy.pdf>.

ⁱⁱ The current LCFS is a well-crafted system that allows site-hosts, automakers, charging providers and utilities to generate LCFS credits in order to accelerate charging infrastructure.

ⁱⁱⁱ Statewide average number. Includes both statewide and individual utility programs funded by LCFS.

^{iv} See Electric Vehicles Are Driving Electric Rates Down <https://www.synapse-energy.com/sites/default/files/EV-Impacts-December-2022-21-032.pdf>, p.3.

^v Comparison between five of the most popular gasoline powered models in the country and an EV equivalent for purchase March 2024, Table 1 Atlas Public Policy. <https://atlaspolicy.com/comparing-the-total-cost-of-ownership-of-the-most-popular-vehicles-in-the-united-states/>; See also <https://www.edison.com/our-perspective/countdown-to-2045>, Figure 3.

^{vi} See <https://ww2.arb.ca.gov/resources/documents/low-carbon-fuel-standard-sria> CARB LCFS regulatory package appendix C, pages 59-61.

^{vii} Ibid.

^{viii} Derived from <https://ww2.arb.ca.gov/resources/documents/lcfs-data-dashboard>, Figure 4 and https://www.eia.gov/dnav/pet/hist/LeafHandler.ashx?n=PET&s=EMM_EPM0_PTE_SCA_DPG&f=M; see Low Carbon Fuels Standards Market Impacts and Evidence for Retail Fuel Price Effects, Bates White Economic Consultant, April 2022. Page 25, chrome-extension://efaidnbmnnnibpcajpcglclefindmkaj/https://www.bateswhite.com/media/publication/226_BW%20LCF%20Report%20-%20April%202022.pdf.

^{ix} <https://consumerwatchdog.org/energy/profit-reports-show-oil-refiners-are-gouging-californians-profits-gallon-double/>.

^x See <https://www.gov.ca.gov/2022/11/01/more-oil-companies-made-massive-profits-as-californians-paid-higher-gas-prices/> and <https://www.politico.com/news/2023/01/31/oil-earnings-california-newsom-00080538>.

^{xi} To illustrate the increase in ZEV penetration: "By 2030, UC Davis modeling predicts around 23% of total vehicles will be ZEVs, if projections hold, we (UC Davis's model) predict that the majority of the fleet will be ZEVs sometime in the mid-2030's." UC Davis letter to CARB, February 20, 2024, page 21. See <https://www.arb.ca.gov/lists/com-attach/7085-lcfs2024-Wi9QNQNdAzRXMAF3.zip>

^{xii} Low Carbon Fuels Standards Market Impacts and Evidence for Retail Fuel Price Effects, Bates White Economic Consultant, April 2022. Page 9, chrome-extension://efaidnbmnnnibpcajpcglclefindmkaj/https://www.bateswhite.com/media/publication/226_BW%20LCF%20Report%20-%20April%202022.pdf.

^{xiii} See <https://theicct.org/publication/oil-market-futures-effects-of-low-carbon-transport-policies-on-long-term-oil-prices/>.