



TO: Honorable Chair Mary D. Nichols and Honorable Board Members of the California Air Resources Board  
FROM: Ryan Schuchard, Policy Director  
DATE: April 26, 2018  
RE: Item 18-3-3, SUPPORT Proposed Amendments to the Low Carbon Fuel Standard Regulation and to the Regulation on Commercialization of Alternative Diesel Fuels

**Clean Transportation  
Technologies and Solutions**

[www.calstart.org](http://www.calstart.org)

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Dear Chairman Nichols and Board Members,

Thank you for this opportunity to provide comments on the Proposed Amendments to the Low Carbon Fuel Standard Regulation (ISOR).<sup>1</sup> We broadly support the ISOR's proposed amendments, and offer a few detailed comments, as follow.

**#1. We support the target's increased stringency to 20% and believe it could be as high as 24%.**

We support the increased stringency from an 18% reduction target by 2030 in the Scoping Plan to 20% by 2030 in the ISOR. This stronger target is justified by independent analyses including a recent study that CALSTART contributed to with Cerulogy.<sup>2</sup>

In fact, we believe the target could be stronger. According to the Cerulogy study, a 2030 target of about 26% target is attainable, and 24-25% is realistic if any one of several subsectors beats conservative expectations. One subsector, medium- and heavy-duty vehicles (MDHVs), is poised to do just that.

Already California has over 180 zero emission buses (ZEBs) deployed, and based on recent discussions with transit agencies, we foresee having 1,000 on the road by 2020—a figure that we imagine would have surprised most informed analysts even a year ago. As more ZEBs hit the roads over the next few years, they will be joined by zero emission trucks from over a dozen manufacturers in all categories.

Concurrently, Low NOx (0.02 g/bhp-hr) trucks powered by renewable fuel have begun rolling out. Earlier this year, Westport Cummins introduced its 12-liter Low NOx engine, and that engine is now available in Kenworth trucks which are eligible for incentives by HVIP today. The South Coast and San Joaquin Valley have air quality attainment goals that call for major deployments of these trucks, and as those deployments occur, we expect the LCFS to cause renewable natural gas with very low carbon intensity scores to be the predominant source of fuel for these trucks.

In sum, as outlined in the Cerulogy report, it is realistic to envision more than 200,000 medium- and heavy-duty (MHDV) vehicles on the road by 2030 that are either zero-emission or those using Low NOx technology in conjunction with predominantly renewable fuel. Such numbers support a target of at least 24%.

<sup>1</sup> CARB (March 6, 2018). Proposed Amendments to the Low Carbon Fuel Standard Regulation and to the Regulation on Commercialization of Alternative Diesel Fuels – Staff Report: Initial Statement of Reasons. <https://www.arb.ca.gov/regact/2018/lcfs18/isor.pdf>

<sup>2</sup> Malins, Chris (March 2018). California's Clean Future: Assessing Achievable Fuel Carbon Intensity Reductions Through 2030. Cerulogy. [https://nextgenamerica.org/wp-content/uploads/2018/03/Cerulogy\\_Californias-clean-fuel-future\\_March2018-1.pdf](https://nextgenamerica.org/wp-content/uploads/2018/03/Cerulogy_Californias-clean-fuel-future_March2018-1.pdf)



**#2. We support the addition of new types of electric vehicles.**

We support the proposal to allow additional types of electric transportation to be eligible for LCFS credits, and we encourage CARB to adopt a new process for quickly allowing new categories of electric non-road vehicles to do so as well. We believe this category should potentially include electric aircraft, which have recently debuted in California and could reach several thousand in number by the early 2020s.

**#3. We encourage continuous improvement towards making LCFS credits work to stimulate new ZEV sales.**

Over the past year, staff has begun to consider ways that the disbursement of LCFS credits, which in the case of residential EV owners occur largely after the point of sale, could more effectively serve as a catalyst for purchases. We agree with this direction because we favor bringing the value of the LCFS up to the point of sale so that it can work as a point-of-purchase incentive.

We realize that there are different ways to do this, and the considerations involved are technical and substantial. We also acknowledge that current discussions are under way on this matter between several parties including utilities and automakers. We encourage that staff continue to explore options in this area.

We hasten to add that for the foreseeable future, any use of LCFS credits for vehicle point-of-sale should be done to augment, and not replace, the current CVRP program, or funding sources for it. Vehicle incentives are badly under-resourced and are in need of a stable multi-annual allocation that is additional to a more optimized use of LCFS credits.

We thank the Board for its bold vision and leadership in advancing the LCFS, one of the nation's most important climate policies. And we commend CARB staff for their tireless attention to revising and improving the program, making it a model for other jurisdictions to follow.