



CRS

center for
resource
solutions

November 8, 2018

Anil Prabhu
California Air Resource Board
1011 I Street
Sacramento, CA 95812

Comments of Center for Resource Solutions (CRS) in Response to Low Carbon Fuel Standard (LCFS) Tier 2 Method 2B Pathway Applications for Photovoltaic Electricity Used at Electric Vehicle Charging Stations (#T2N-1268 and #T2N-1269)

Mr. Prabhu,

CRS appreciates this opportunity to submit comments in response to the proposed LCFS Tier 2 Pathways for photovoltaic (PV) electricity used at electric vehicle (EV) charging stations. The intent of these comments is to highlight the need for specific protocols that prevent the double counting and double claiming of the environmental attributes associated with renewable electricity used for LCFS compliance.

Background on CRS and Green-e® Certification

CRS is a 501(c)(3) nonprofit organization that creates policy and market solutions to advance sustainable energy. CRS has broad expertise in renewable energy policy design and implementation, electricity product disclosures and consumer protection, and greenhouse gas (GHG) reporting and accounting. CRS administers the Green-e® programs. Green-e® is the leading certification program for voluntary renewable electricity products in North America. For over 20 years, Green-e® staff have worked with independent third-party auditors to annually verify renewable energy purchases in the voluntary market and ensure purchasers receive the full environmental benefits and sole ownership of each megawatt-hour (MWh) of renewable energy they purchase. Verification procedures ensure there is no double counting between voluntary and compliance markets, and that other renewable energy or carbon policies do not claim any of the environmental benefits of certified renewable energy. In 2017, Green-e® certified retail sales of over 60 million MWh, representing over 1.6% of the total U.S. electricity mix. In 2017, there were over 1,107,000 retail purchasers of Green-e® certified renewable energy, including 54,000 businesses.

Need for More Specific Renewable Energy Accounting Requirements and Guidelines

The ARB Staff Summary for Powerflex MV and the ARB Staff Summary for Powerflex LA both state that:

“Credit for renewable electricity generated and reported for credits in the LCFS program shall not be used to generate credits under any other renewable energy credit program except under the RFS program administered by the Environmental Protection Agency.”

If it has not already, ARB should provide more specific guidance relating to how this renewable electricity is accounted for in order to prevent the double counting and double claiming of this PV generation. For example, if renewable energy certificates (RECs) associated with this generation are issued within the Western Renewable Energy Generation Information System (WREGIS), then these certificates must be

officially retired within WREGIS to prevent their use toward compliance with a Renewable Portfolio Standard (RPS) or their sale in voluntary renewable energy markets. If these PV facilities are not registered in WREGIS, then this generation would still result in the creation of “de facto RECs” representing the environmental benefits of each renewable MWh generated. In this case, additional procedures, for example the use of formal attestations, should be utilized to substantiate the unique ownership and use of these environmental attributes. Whether these RECs are tracked in WREGIS or issued contractually, ARB must delineate the steps necessary to ensure that they are properly retired once they have been used in this Tier 2 Pathway.

Rationale for Preventing Double Counting and Double Claiming of Renewable Generation

Ensuring that the environmental benefits of renewable electricity are counted only once is pivotal to protecting the impact and integrity of renewable energy markets. If a MWh of PV generation is used for LCFS compliance through this Tier 2 Pathway, and it is then sold into the voluntary market, e.g. to a corporate purchaser or as part of a green tariff program, then neither the regulated party nor the voluntary end-use consumer have an immutable claim to these attributes. Such a scenario would both weaken the effectiveness of the LCFS and undermine consumer confidence in purchasing renewable energy. Similarly, if the RECs associated with this PV generation are used for both LCFS and RPS compliance, then the ability of these policies to incrementally drive greenhouse gas mitigation has been undermined. Furthermore, because these specific PV systems are located at high schools, there is an elevated possibility that this generation is already being claimed – either explicitly or implicitly – as renewable. For example, if these high schools believe they are consuming this renewable electricity for their own operations, then these same megawatt-hours could not be claimed as renewable when used to charge EVs at these locations.

Conclusion

CRS understands that ARB is still finalizing regulatory amendments to the LCFS, as well as the accompanying guidelines relating to implementation and compliance. CRS urges that special attention be paid to the treatment of renewable energy in Tier 2 Pathways. Whether these Tier 2 Pathways involve collocated PV generation or other methods of renewable electricity procurement, RECs must be used to account for this specified consumption of renewable energy. Implementing provisions to ensure this occurs will both strengthen the impact of LCFS regulation and protect the voluntary market for renewable energy in California.

Should ARB have any additional questions relating to these comments or the suggestions contained herein, CRS would be happy to provide clarifying information and review further draft language relevant to these Tier 2 Pathways.

Respectfully submitted,



Noah Bucon
Manager, State Policy and Standard Setting
Center for Resource Solutions
Noah.Bucon@resource-solutions.org
415-561-2110