March 20, 2017

Clerk of the Board
California Air Resources Board
1001 I Street
Sacramento, CA 95814

To Whom It May Concern:

Subject: Los Angeles Department of Water and Power's Comments on the California Air Resources Board's Advanced Clean Cars Midterm Review

The Los Angeles Department of Water and Power (LADWP) appreciates the opportunity to provide comments to the California Air Resources Board (CARB) regarding its Advanced Clean Cars Midterm Review.

In submitting these comments, LADWP affirms its strong support of CARB's decision that the light-duty vehicle Greenhouse Gas (GHG) standards for model years 2022-2025 that was established in the 2012 rulemaking are still appropriate. LADWP submits these comments to improve the effectiveness of the Midterm Evaluation.

Serving approximately 1.4 million customers in the City of Los Angeles (City) with a generating capacity of over 7,300 megawatts, LADWP is the largest municipal electric utility in the nation and the third largest electric utility in California. LADWP is a vertically integrated utility, owning and operating a diverse portfolio of generation, transmission, and distribution assets spanning several states. LADWP intends to make unprecedented major capital investments over the next ten years to significantly reduce GHG emissions on a LADWP system-wide basis. LADWP's plan to reduce GHG emissions and associated estimated costs of LADWP's programs include:

- Replacing all existing coal resources with non- or low-emitting replacement generation, $49 million (net revenue requirement between operating a coal plant and operating gas-fired generators)

- Expanding reliance on renewable energy, $6.1 billion
- Modernizing power plants in the South Coast Air Basin, $1.4 billion
- Implementing major projects and measures for improving end-use energy efficiently, $1.2 billion
- Investing in electric transportation infrastructure to assist in reducing mobile source emissions, $250 million
- Developing increased capacity for energy storage, $279 million

Zero-Emission Vehicle Regulation

LADWP is a leading utility in electric vehicle adoption and is focused on the push towards zero-emission vehicle (ZEV) technology and infrastructure. LADWP's action plan with respect to its electric transportation efforts are described in its Integrated Resources Plan, a comprehensive 20-year roadmap guiding LADWP's efforts and strategy to supplying reliable electricity in an environmentally responsible and cost effective manner. LADWP's electric transportation program also supports the electrification goals detailed in the City's Sustainability PLAn. LADWP supports CARB's decision to maintain the current stringency of the ZEV Regulation for California through the 2025 model year and recognizes that the ZEV Regulation is critical to meeting GHG targets and improving air quality for LADWP's customers which include disadvantaged communities in the City.

As discussed, CARB has identified the development of strong, comprehensive and complementary policies to support infrastructure deployment, to promote ZEV usage, and to remove remaining barriers to ZEV adoption. LADWP supports CARB's efforts and is aiding in this campaign by:

- Current Charge-Up Los Angeles Program: Expand LADWP's electric vehicle charger rebate program for home, workplace, and public charging for Level 2 electric vehicle chargers. LADWP's prior rebate program for the installation of electric vehicle charging systems has resulted in over 1,500 residential and commercial charger installations in the City.
- Commercial Charging Rebates: Provide rebates for workplace and public charging. Phase II of the program includes direct installations of the charging

stations and Green Building Ordinance, which would require newly-constructed buildings to supply electric vehicle chargers.

- Electrify LADWP and the City Fleet: The goal is for 100 percent of new LADWP light duty vehicles and 50 percent of new City light duty vehicles to be electric vehicles.
- Medium and Heavy-Duty Fleet Charging: Help in funding and installation of charging infrastructure to electrify Port of Los Angeles, Los Angeles World Airports, forklifts, rail, and buses.
- City Electric Vehicle Infrastructure: Install curbside and parking lot public chargers, City Fleet Chargers, City DC Fast Chargers, and City workplace chargers throughout the City.
- Retrofit 117 vintage chargers on City properties.
- LADWP will use a part of the $120 million Smart Grid demonstration grant award from the United States Department of Energy to demonstrate the integration of electric vehicles into the LADWP-managed electric system.
- Education and Outreach: Promote electric vehicle driving events through public events and social media to help achieve a goal of 15 percent plug-in electric vehicle sales of all new vehicle purchases in the City by 2020.

Net GHG Reductions from Electrification

Vehicle electrification results in substantial *net* GHG reductions by shifting from the use of transportation fuels to cleaner, lower-carbon electricity and is a cost-effective and effective way to reduce GHGs from transportation. However, the additional generation to charge the growing number of electric vehicles may result in an overall emissions increase at the individual utility level. This could lead to potential issues with obtaining sufficient emission credits, or allowances, to comply with various existing programs like the California Cap-and-Trade program. LADWP supports the ZEV program but wants to emphasize that a balance in existing regulations is needed to ensure that electric generating entities can continue providing the low carbon, reliable electricity to support the increased generation due to transportation electrification. Electric utilities should receive consideration in obtaining additional allowances to cover the increased GHG emissions incidentally resulting from the increased electricity demand due to vehicle electrification.

In addition, electricity needs to remain cost effective in order to accomplish the significant amount of electrification essential to achieve the State's goals. As long as electricity remains a low cost alternative fuel for transportation, it will be cost effective for consumers to purchase and use electric vehicles.

Thank you for your considerations of these comments. If you have any questions, please feel free to contact me at (213) 367-0133.

Sincerely,

Nancy H. Sutley
Chief Sustainability Officer

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