

October 14, 2024

Ms. Liane M. Randolph
California Air Resources Board
1001 I Street
Sacramento, CA 95814

RE: California Air Resources Board's Potential Changes to the Low Carbon Fuel Standard

Dear Chair Randolph,

Iwatani Corporation of America (ICA) would like to thank the California Air Resources Board (CARB) for the opportunity to comment on the potential changes to the Low Carbon Fuel Standard (LCFS) program. ICA owns and operates a network of hydrogen refueling stations across California and is rapidly expanding to serve the fast-growing hydrogen market in California. Our expansion plans include stations that support a variety of on-road fuel cell electric vehicles in the light-duty, medium-duty, and heavy-duty sectors. Since 1941, Iwatani has regarded hydrogen as the ultimate clean energy source and has consistently engaged in initiatives to encourage its widespread use. ICA is committed to supporting the zero emissions vehicle (ZEV) market by expanding the fueling infrastructure and supplying hydrogen to both light-duty and heavy-duty vehicles. Under the corporate slogan "A world where all enjoy true comfort – this is Iwatani's desire," we strive to solve environmental concerns with the aim of achieving a carbon free society through the use of hydrogen.

ICA greatly appreciates CARB's updated proposed changes which demonstrate a strong consideration of comments from the hydrogen industry. We believe many of the changes provide added flexibility and predictability to the LCFS program to help incentivize private investment in ZEV infrastructure. Please consider our additional comments in this letter to further enhance the program.

ZEV Fueling Infrastructure Pathways

We strongly support CARB staff's decision to increase the public LMD station HRI capacity factor from 50% to 100%, which is aligned with the existing HRI provision. While we strongly support California's efforts to expand hydrogen infrastructure and reduce carbon emissions, the specific provision capping LMD-HRI credits based on capital expenditure and external funding presents significant challenges that could hinder the growth of this essential infrastructure. While recovering the CAPEX is good, as we stated in our previous letter submitted to CARB, the revenue from the LCFS/HRI credits plays a critical role in the economic feasibility of operating ZEV infrastructure which is why the expected long-term value of LCFS credits, and the HRI pathways are so important. Limiting the value of these credits based on the capital expenditure and external funding may impede the HRI original purpose to support station over time as the fleet grows. We urge CARB to reconsider this provision and remove the credit limitation for LMD-HRI stations. Instead, we recommend allowing these stations to generate credits based solely on their refueling capacity and operational performance, without capping their credit potential based on capital expenditure or external funding. This would provide a stronger incentive for private sector investment in hydrogen infrastructure and accelerate the growth of hydrogen-powered vehicles in California.

ICA also wants to point out that the definition of "Medium-Duty Vehicle" (MDV) in the Modified Proposed Amendments is not aligned with the common definition of MDV and ICA urges CARB to utilize the standard definition of MDV which refers to MDV as Class 3-6 (10,001 lbs – 26,000 lbs GVWR). Many existing MDVs up to Class 6 leverage existing light-duty fueling stations today as part of normal operations, while only heavy-duty vehicles (HDV) Classes 7 and 8 typically fuel at dedicated HDV fueling lanes or truck stops. We recommend CARB harmonizes this existing definition and fueling operation with current industry standards. Specifying a different category for MDV within LCFS will create confusion for both station developers and MDV fleet operators that could hinder station development and result in stations that are not properly designed for each vehicle type.

ICA does appreciate CARB's efforts to incentivize building stations with the appropriate capacity that can support expanded vehicle volumes over time. We also appreciate the desire to create HRI pathways that support station growth for light-duty, medium-duty, and heavy-duty vehicles. We believe that

California's ambitious carbon reduction goals require the rapid expansion of clean fuel infrastructure, including hydrogen, and the proposed amendments will pave the road to achieve the ZEV mandate goals.

Sincerely,

Hossein Tabatabaie

Director of Product Management