SMART EV CHARGING GROUP

July 5, 2018

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

Submitted Electronically

Re: *Smart EV Charging Group Comments on the June 20, 2018 Proposed Amendments to the Low-Carbon Fuel Standard Regulation*

Sonoma Clean Power Authority, East Bay Community Energy, Lancaster Choice Energy, MCE Clean Energy, Peninsula Clean Energy, Pioneer Energy, Redwood Coast Energy Authority, Silicon Valley Clean Energy, Menlo Spark, the Center for Climate Protection, eMotorWerks, ChargePoint, and Chanje Energy, collectively known as the "Smart EV Charging Group", provide the following comments on the June 20, 2018 Proposed Amendments to the Low Carbon Fuel Standard (LCFS) Regulation (Proposed Amendments).

The Smart EV Charging Group continues to support the California Air Resources Board (ARB) staff's initiative and foresight in developing proposed LCFS amendment language that would encourage the expanded use of low carbon resources in electrifying the state's transportation networks. These comments discuss: (1) the need to provide greater certainty in implementing the incremental credit hierarchy; (2) our concerns associated with the collection of VIN information for awarding incremental credits; (3) our support of the multi-family residence provisions; and (4) confirm the Smart EV Charging Group's understanding of the Tier 2 application process.

I. The Incremental Credit Hierarchy Should Be Revised to Provide LSEs and EVSPs with Greater Certainty Regarding the Impact of Subsequent Incremental Credit Claims by a Higher Ranked Entity.

The Smart EV Charging Group supports staff's efforts to provide certainty and clarity in the incremental electric vehicle (EV) charging credit (Incremental Credit) provisions through a "crediting hierarchy." However, the hierarchy as contemplated in the Proposed Amendments should be further amended to provide certainty to entities that are seeking to market products and programs in reliance on future Incremental Credit awards.

If the Proposed Amendments are adopted, a supplier of EV infrastructure and metering will have difficulty providing a customer offer, based on LCFS value, to reduce the cost of Fueling Supply Equipment (FSE) or commit to offset the cost of EV charging if, at any moment, after registering the FSE with the ARB for Incremental Credits, an EV manufacturer attempts to register the EV and displace the current fuel reporting entity.

Similarly, a community choice aggregator (CCA) may endeavor to develop new public programs and/or offer customers point of sale or other forms of upfront incentives based on expectations of LCFS revenues from an incremental credit pathway. In order to ensure predictable funding for CCA programs, CCAs need to know that they will be guaranteed the incremental credits for a time period sufficient to facilitate EV incentive program(s), and that another LSE or manufacturer will not supplant the CCA's eligibility for LCFS credits during the program period.

Under either outcome, an entity providing direct financial support for the adoption of an EV and/or ongoing cost-effective operation of an EV or EVSE would see the LCFS credit revenue anticipated to support the financial incentive provided evaporate. This outcome would undermine the good work of CCAs, EV infrastructure and metering companies, and others in supporting EV adoption.

To address these concerns, the ARB should guarantee that once an opt-in entity has begun claiming incremental credits for a registered FSE, the opt-in entity will not be supplanted by a higher ranked entity for a period of at least one year. A longer term would allow for more robust upfront/point of sale incentives and would also be stable. Frequent changes in credit allocation will mean no single entity providing incentives can maximize these funds by relying on a longer-term revenue stream as a means to drive incentives. In addition, the incremental credit hierarchy should be expanded through the following amendments to Section 95483(c)(1)(B):

> Incremental Credits. Any entity, including an EDU, is eligible to generate incremental credits ~~(in addition to the base credits)~~ for improvements in carbon intensity of electricity used for ~~residential~~ EV charging at single-family residences. ~~An EDU that generates incremental credits must meet the requirements set forth in paragraphs 2. through 5. in section 95491(d)(3)(A).~~ Multiple claims for incremental credits for metered residential EV charging associated with a single FSE ID will be resolved pursuant to the following order of preference:
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> 1. The Load Serving Entity (LSE) supplying electricity to the EV associated with the FSE ID and metered FSE data has first priority to claim credits;
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> 2. The LSE supplying electricity to the EV associated with the FSE ID and metered on-vehicle telematics data has second priority to claim credits;
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> 3. The manufacturer of the FSE associated with the FSE ID has fourth priority;
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> 4. The manufacturer of the EV associated with the FSE ID has ~~second~~ fifth priority; and
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> 5. Any other eligible entity has ~~third~~ fifth priority.

II. The Collection of VIN Information Should Be Removed Because It Will Create Inconsistent Charging and Crediting Information.

Staff's Proposed Amendments would require a Vehicle Identification Number (VIN) for all FSE registrations generating Incremental Credits from single-family metered residential EV charging. This requirement is problematic for efficient and accurate LCFS reporting administration. LSEs seeking to generate Incremental Credits may not have direct access to VIN information in all cases, and may not be able to obtain and associate a VIN with metered charging information without significant administrative burden on customers and LSE staff. A more streamlined and scalable approach would be to associate credit generation with the charging, not the vehicle.

Residential EV charging occurs at a fixed location, and in the case of LSE reporting, it occurs at a single electric service account address. However, charging data from a vehicle (with unique VIN) under a single ownership may occur at multiple addresses across more than one LSE. In addition, a vehicle may change ownership (keeping the VIN) but reporting for the residential EV charging using EV supply equipment as the metered source may continue with another vehicle (with unique VIN) unbeknownst to the reporting entity. In either case, the residential EV charging is verifiable and traceable, but if another reporting entity begins reporting charging with the same VIN, it will cause an invalidation of the one or both FSE registrations by ARB.

Since residential EV charging occurs at a fixed location for one or more vehicles, with electricity supply from a single LSE, the specific reporting requirements should not rely on VIN information.[1] The ARB should amend Section 95483.2 (b)(8)(B)(4) as follows:

> For single-family residential metered EV charging, FSE refers to a piece of equipment or on-vehicle telematics capable of measuring the electricity dispensed for EV charging. Fuel reporting entities for single-family metered residential EV charging ~~using off-vehicle meters~~ must provide the address of location (without abbreviations) where EV charging occurs and the service account identification number of the electricity supplier. If the fuel reporting entity is using off vehicles meters, it must provide the serial number assigned to the FSE by the OEM and the name of the equipment OEM. ~~, and the Vehicle Identification Number (VIN) for the vehicle expected to be charged at the location.~~ Fuel reporting entities using vehicle telematics must provide the VIN. This reporting is optional when reporting metered electricity to generate base credits.

III. The Smart EV Charging Group Proposes that Electricity and corresponding RECs be Utilized Within Three Quarters for LCFS Purposes.

The Smart EV Charging Group supports the proposed amendment to § 95488.8.(i)(A) to increase the number of quarters for which renewable electricity attributes may be applied for

[1] The Smart EV Charging Group submitted a previous proposal on FSE registration requirements to address the option for different metering sources and to avoid duplication. See comments from August 7, 2017, workshop. https://www.arb.ca.gov/fuels/lcfs/workshops/09052017_smartev.pdf (Section 1.5)

purposes of the LCFS program. Given the administrative latency of renewable attribute market systems, this increase in time should reduce the likelihood of infeasible utilization of this provision.

However, the implications of § 95488.8.(i)(B)(1) may still create a timing mismatch between LCFS credit generation and renewable electricity attributes available for retirement due latency between electricity generation and attribute availability. The Smart EV Charging Group suggests staff provide clarifying language to confirm that a reporting entity utilizing a low CI pathway can submit and confirm fuel transactions under the current quarterly schedules but provide confirmation of renewable attribute retirement subsequent to the 90-day deadline following the end of the reporting quarter, so long as no later than 210 days after the end of the reporting quarter. This will ensure that electricity and renewable energy attributes generated within a single quarter are still utilized within three quarters for the LCFS purpose.

In addition, ARB should confirm that procurement activities to support Low-CI EV charging reporting can be performed by third parties under contract with the Fuel Reporting Entity, so long as invoices or reports confirming transactions, including renewable attribute retirements, can be provided to ARB, as required.

IV. The Smart EV Charging Group Recommends an Audit Requirement for Session Level Data.

ARB should require that any reporting entity for EV charging maintain, make available and have duly authorized ability to make auditable records of EV charging for each FSE reporting EV charging. If telematics data is used for reporting, geolocation of each reported charging session must also be providable.

V. The Smart EV Charging Group Supports Multi-Family Charging Credit Provisions.

The Smart EV Charging Group supports establishing EV Charging at Multifamily Residences as a separate category. This would change the current regulations, which treat residential charging as a single category that includes both single-family and multi-family charging. Multi-family charging equipment can often be located in the "visitor", "mixed-use", or "common" parking areas of a multi-family residence, which are closer to "non-residential" in access and usage. Without separation, multi-family charging could be an area of significant verification confusion if vehicles can register credits from chargers with multiple users, including non-residents, given the many changes proposed in the residential EV charging provisions of the LCFS regulations. We believe that this simple and straightforward modification to the Proposed Amendments will help avoid confusion and facilitate faster deployment of EV charging infrastructure in multi-family residences, which are arguably the most challenging locations within the built environment for installation of EV infrastructure. We commend ARB staff for making this change to bring more EV charging to Multi-family residents, and thus bringing more equity to clean technology.

VI. The Smart EV Charging Group Supports the Ability of CCAs to Submit Tier 2 Applications for Incremental Credits, Relying on Carbon Intensity Information of their Entire Portfolio.

The Proposed Amendments would provide a CCA or other LSE with an option to generate incremental credits by demonstrating that the LSE has provided charging energy though a green tariff or other contractual agreements for low-CI electricity. The requirements for these fuel pathway applications are specified in Section 95488.8 and include, among other things, that the LSE has procured renewable energy above and beyond the RPS and has not used the RECs attributable to those resources (i.e., above and beyond the RPS) for purposes of RPS compliance. The Smart EV charging group supports these proposed amendments and seeks to clarify that through a Tier 2 application, an LSE could establish a pathway based on information sources other than those explicitly listed in Section 95488.8 (i.e., REC and contract data). An LSE may wish to leverage carbon intensity information of its entire portfolio (not just particular contracts) through a Tier 2 application. The Smart EV Group understands that the LCFS regulations, as amended, would allow the Executive Officer to exercise discretion in the consideration of additional carbon intensity information. For example, the Executive Officer could consider a Tier 2 Fuel Pathway based on WCI Carbon Registry information, CEC Power Source Disclosure data, or other information sources provided the information submitted by the LSE reasonably substantiates the carbon intensity associated with the LSE's entire portfolio to the satisfaction of the Executive Officer.

CONCLUSION

The Smart EV Charging Group supports the ARB's efforts to facilitate and incentivize greater EV usage and charging through the LCFS program. The ARB should endeavor to create a hierarchy that provides a degree of certainty for entities seeking to make customer offerings and develop programs based on the anticipated incremental credit revenue. The Smart EV Charging Group appreciates the opportunity to provide these comments and looks forward to continuing to work with the ARB towards the successful implementation of the State's ambitious EV goals.

Respectfully submitted,

/s/

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On behalf of the Smart EV Charging Coalition