

August 30, 2018

Mary Nichols, Chair
California Air Resources Board
1001 I Street
Sacramento, CA 95814

Subject: Support for Low Carbon Fuel Standard

Dear Chair Nichols and Members of the Board:

On behalf of the undersigned organizations, we write to encourage the California Air Resources Board to move forward with the adoption of the 2030 Low Carbon Fuel Standard as an important component of achieving California's clean air and climate standards. The LCFS is a core program addressing the many harms caused by the transportation fuels sector, and spurring the transition away from combustion of fossil fuels. The LCFS provides leadership on this critical issue, protects public health and our environment while spurring innovation and modeling successful climate policy.

Comments on Low Carbon Fuel Standard Amendments

We strongly support amending the LCFS with higher percentages, inclusion of alternative jet fuels, updated carbon intensity values and energy efficiency ratios for freight and transit, and a point-of-purchase incentive program for zero-emission vehicles. The LCFS is already helping to reduce greenhouse gas emissions and air pollution by starting the process of diversifying our transportation fuel mix, and needs to be ramped up to maximize progress toward that goal. The LCFS increases the use of alternative vehicle fuels like electricity, hydrogen, renewable diesel and renewable methane, reducing our reliance on petroleum and spurring greater transition to zero emission transportation solutions. The LCFS is playing a critical role in supporting the transition of transit buses, fork lifts and other vehicles to electric drive technologies.

2030 Carbon Intensity Target

We support the 2030 target for reducing the carbon intensity of transportation fuels by 20%. This target is achievable by continuing the growth of alternative fuels. The LCFS will make a major contribution to California's efforts to reach its 2030 standard of reducing greenhouse gas emissions by 40% from 1990 levels by 2030. In addition, a strong LCFS will reduce the localized air pollution, caused primarily by combustion of fossil fuels for transportation, that continues to damage the health of millions of Californians.

Inclusion of Alternative Jet Fuels

We support the inclusion of alternative jet fuels in the LCFS as a way to address this significant and growing source of GHG emissions. Reducing emissions from aviation has been difficult, and inclusion in the LCFS will help to shift jet fuels toward more sustainable alternatives to petroleum.

Hydrogen Fueling Capacity Credits

We understand the intention behind the provisions related to capacity credits for fast-charging hydrogen fueling infrastructure, but remain concerned with the potential for over-crediting for un-capped credit generation under this amendment. If this proposal is to be implemented, we support a thorough review of hydrogen station capacity credit generation to ensure that the environmental benefits of the program are not impacted by excess credit generation that may not reflect low carbon fuel deployment, and would encourage the board to revise the program as needed.

The Role of the LCFS in Zero Emission Transportation

The electricity pathway within the LCFS is an important tool to support the Governor's goals of placing more than 1.5 million Zero-Emission Vehicles (ZEVs) on California roads by 2025 and 5 million by 2030. The LCFS amendments before the board provide important updates to the energy efficiency metrics for zero emission trucks and buses, and include credit-generation opportunities for zero emission Transportation Refrigeration Units, cargo-handling equipment and shore power to advance sustainable freight in California. These credits provide an important signal for a broader transition to zero emissions technologies across the transportation fuel sector and should be advanced by the Board. Working together, zero emission LCFS credits, state incentive programs and strong, binding regulations can accelerate the critical transition away from petroleum fuels across the transportation sector.

Point-of-Purchase Incentive for Zero-Emission Vehicles

While the updated zero emission transportation provisions support broader electrification, the current program does not fully utilize the LCFS' potential to create incentives for the purchase of ZEVs. We support the creation a statewide "on the hood" clean fuel reward for new EV buyers, which would be administered by a statewide third-party administrator, subject to approval by CARB, based on residential charging data recorded by the vehicles. Point-of-sale incentives are the most effective way to drive consumer ZEV adoption, especially for non-affluent buyers.

This approach provides significant consumer benefits and improves upon the existing program design. We support the staff proposal to require, in the regulation, a minimum utility percentage contribution to the statewide rebate program. This threshold will assure that incentives reach meaningful amounts.

We support the staff proposal to add four tiers to determine the rebate amount based on battery capacity of the EV, similar to federal tax credit tiers. This would ensure EVs with higher battery capacity get higher rebates as compared to EVs with lower battery capacity, and will help to accelerate deployment of stronger battery plug-in hybrids that meet most of the usual driving needs of consumers.

Similar to other existing state ZEV programs, we also recommend that the Point-of-Purchase program incorporate a means test, to maximize the effectiveness of incentives by reserving them for non-affluent Californians purchasing non-luxury vehicles.

We urge CARB to take action this year to implement these changes so that California can accelerate progress toward our bold targets for EV adoption, low carbon fuel use and air quality improvements.

Respectfully Submitted,

A handwritten signature in black ink that reads "Bill Magavern". The signature is written in a cursive, flowing style.

Bill Magavern
Policy Director
Coalition for Clean Air

Will Barrett
Clean Air Advocacy Director
American Lung Association

Dolores Barajas-Weller
Director
Central Valley Air Quality Coalition (CVAQ)