

August 24, 2018

Mr. Sam Wade
California Air Resources Board
1001 I Street
Sacramento, CA 95814

Subject: Los Angeles Department of Water and Power's Comments on
California Air Resources Board's Proposed Second 15-day Modifications
to the Proposed Amendments to the Low Carbon Fuel Standard
Regulation posted on August 13, 2018

Dear Mr. Wade:

The Los Angeles Department of Water and Power (LADWP) appreciates the opportunity to provide comments on the Air Resources Board's (ARB) Proposed Second 15-day Modifications to the Proposed Amendments to the Low Carbon Fuel Standard (LCFS) Regulation (Second 15-day Modification), posted on August 13, 2018. LADWP reaffirms its strong support of the LCFS program and its role in achieving the substantial greenhouse gas (GHG) emissions reductions goals of Assembly Bill (AB) 32 and Senate Bill (SB) 32.

As an electrical distribution utility (EDU), LADWP is the largest municipal electric utility in the nation, serving approximately 1.4 million residential and business customers. As a large publicly-owned utility, LADWP is in the most optimal position to promote transportation electrification and reduce financial impacts to our customers by investing in programs that benefit everyone. We offer our comments on the Second 15-day Modification for your consideration.

§ 95482. Fuels and Regulated Parties

LADWP supports ARB's proposal to increase the threshold for the exemption of small fossil compressed natural gas (CNG) stations to 150,000 gasoline gallon equivalent or less annual throughput from the LCFS until the fuel starts generating deficits. LADWP is a CNG fuel provider primarily for its fleet; the exemption's expiration date of January 1, 2024, for fossil CNG stations will provide LADWP enough time to plan and implement a strategic course of action.

§ 95483. Fuel Reporting Entities

Statewide Point of Purchase Rebate

LADWP is committed to reducing GHG emissions pursuant to AB 32 and SB 32, and to contributing efforts to meet the Governor's Executive Order B-48-18 goal of 5 million zero emissions vehicles by 2030. LADWP shares the same common vision and goal as other stakeholders (utilities and automobile manufacturers) of building and transforming the transportation sector to electric in order to reduce emissions and benefit the public. There are many pathways to reaching this goal. LADWP believes that ARB's proposal for a percentage contribution of base credits from EDUs to the statewide point-of-purchase rebate will be a good compromise between all stakeholders to meet this common goal. LADWP supports ARB's proposal that large publicly-owned utilities contribute 35 percent of its base credits toward the point-of-purchase rebate. This percentage would allow LADWP to retain sufficient funding to continue its transportation electrification efforts that will benefit its customers.

LADWP's key programs include:

- Residential Programs
 - Used Electric Vehicle (EV) Rebate; EV Charger Rebate; Smart Charging Rebate Demonstration
- Commercial Programs
 - EV Charger Rebate; Pilot Program to Install EV Chargers at the Los Angeles Unified School District Facilities; Metro Electrification (Orange Line)
- City Programs
 - Public and Workplace Charger Installations; Los Angeles Department of Transportation Bus Electrification; Port of Los Angeles Electrification Infrastructure; Public Charging Plazas and EV Car Share in Disadvantaged Communities
- Education/Outreach
 - Customer Events; Customer and Dealer Programs

Multi-family Residential EV Charging

LADWP supports ARB's proposal to keep EDUs as the eligible credit generator for EV charging at multi-family residences. LADWP concurs with ARB's assessment that "EDUs are better suited to receive these credits to help support the point of purchase rebates for electric vehicles and infrastructure development in multi-family residences." As mentioned in LADWP's comment letter of July 3, 2018, the majority of residential customers in LADWP's service territory are renters and live in multi-family residences, and LADWP forecasted that 85 percent of new residential buildings units will be multi-family residences. LADWP has an EV charger rebate, which is funded through

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residential-based credit proceeds and provides a larger incentive to commercial customers such as multi-family residences. LADWP believes that it is in the best position to provide EV incentives targeted to customers that are renters in multi-family residences and will continue to support these objectives.

Electric Cargo Handling Equipment and Electric Power for Ocean-going Vessel

LADWP supports the modifications pertaining to the definition of electric cargo handling equipment and removal of “auxiliary engines” from electric power for ocean-going vessels. These modifications provide clarity to the application of these provisions. These provisions will compliment ongoing efforts taken by LADWP to improve air quality in its service territory, in particular, transportation electrification projects at the Port of Los Angeles.

§ 95486.2. Generating and Calculating Credits for ZEV Fueling Infrastructure Pathways

To align with the Governor’s Executive Order B-48-18 of 10,000 direct current fast chargers (DCFC) by 2025, the City of Los Angeles’ contribution is estimated to be approximately ten percent of that goal at 1,000 DCFC. LADWP supports ARB’s concept for infrastructure crediting for the purpose of incentivizing early-stage infrastructure buildout. LADWP supports the proposed changes outlined in the Second 15-day Modification.

Closing

If you have any questions, please contact me at (213) 367-0133.

Sincerely,



Nancy H. Sutley
Chief Sustainability Officer

BP:srt

c: Mr. Jing Yuan, CARB
Ms. Veronika Pesinova, CARB