August 30, 2018

Honorable Chair Nichols and Honorable Board Members California Air Resources Board

Sent via email

Re: Item 18-3-3, Proposed 15-day Modifications, Second Round, to Amendments to the Low Carbon Fuel Standard Regulation and to the Regulation on Commercialization of Alternative Diesel Fuels

Dear Chair Nichols and Honorable Board Members:

CalETC appreciates this opportunity to provide comments on the 15-day modifications to the Low Carbon Fuel Standard (LCFS) regulation. We also appreciate the tremendous effort and accessibility of CARB staff during the extensive public process leading up to this hearing.

CalETC supports and advocates for the transition to a zero-emission transportation future as a means to spur economic growth, fuel diversity and energy independence, ensure clean air, and combat climate change. CalETC is a non-profit association committed to the successful introduction and large-scale deployment of all forms of electric transportation including plug-in electric vehicles of all weight classes, transit buses, port electrification, off-road electric vehicles and equipment, and rail. Our board of directors includes: Los Angeles Department of Water and Power, Pacific Gas and Electric, Sacramento Municipal Utility District, San Diego Gas and Electric, Southern California Edison, and the Southern California Public Power Authority. Our membership also includes major automakers, manufacturers of zero-emission trucks and buses, and other industry leaders supporting transportation electrification.

CalETC supports the LCFS, a program that has been successful thus far in reducing the carbon intensity of California's transportation fuel. Given the near-total dependence on oil in the transportation fuels sector, the LCFS is essential to both diversify the transportation fuels sector and reduce emissions from carbon-based fuels.

CalETC supports the current program design with utilities generating "base" LCFS credits for residential charging and returning the value of those credits to electric vehicle drivers. CalETC and the utilities are committed to continue working with stakeholders and regulators to improve the programs supported by utilities LCFS credit revenue. We share the commitment to accelerate the market for electric vehicles and support the Administration and Legislature in meeting the state's transportation electrification goals. The utilities are uniquely positioned to work with administration and legislature to invest the LCFS credit value, they are either local public entities, as is the case with publicly-owned utilities, or they are economically regulated, as it is the case with investor-owned utilities.

CalETC supports the proposed second round 15-day modifications to the LCFS draft regulation order including the:

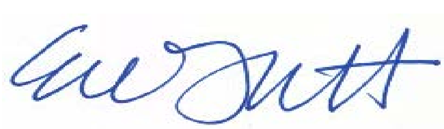
- changes that make more feasible the development of point-of-purchase Clean Fuel Reward[1] (e.g., returning the multi-unit dwelling credits to EDUs);
- changes to the California statewide grid average carbon intensity for electricity (especially the delinking in GREET 3.0 the upstream and power plant emissions), the proposed CI and annual update reflect the true benefit of electricity fuel and fairly characterize the CI for electricity;
- many improvements to rules and formulas for the DC fast charging capacity credits
- improved rules for residential charging (base credits and incremental credits) that make it feasible for EDUs to participate; and
- improved requirements on non-load-serving entities (LSEs) so that they must meet requirements similar to those placed on LSEs.

CalETC is supportive of the utilities' efforts, working with CARB, the auto makers and other stakeholders, to design and implement a point-of-purchase Clean Fuel Reward. We have very much appreciated, and the efforted has benefited tremendously from, the work Vice Chair Berg has done to organize and facilitate the Clean Fuel Reward effort. CalETC also notes that many details of the future Clean Fuel Reward are appropriately reserved for a future governance agreement between select EDUs and the CARB Executive Officer.

Finally, CalETC notes that the second round 15-day modifications do not have equal cost limits for DC fast charging stations and hydrogen fueling stations (e.g., different sunset provisions). In a future rulemaking, CalETC urges CARB to apply the same rules to DC fast charging and hydrogen fueling stations.

Thank you for your consideration.

Regards,



Eileen Wenger Tutt, Executive Director
California Electric Transportation Coalition

[1] Funded with the utilities' base residential credits.