



August 30, 2018  
LEG 2018-0408

Richard Corey  
Executive Officer  
California Air Resources Board  
1001 I Street  
Sacramento, CA 95814

**Re: Comments by the Sacramento Municipal Utility District on  
Proposed Second 15-Day Modifications to the Pending Amendments  
to the Low Carbon Fuel Standard Regulation**

Dear Mr. Corey:

The Sacramento Municipal Utility District (SMUD) appreciates the last two years of work by dedicated Board staff that has led to the proposed second modifications to the 2018 Proposed Amendments to the Low Carbon Fuel Standard (LCFS) Regulation (Second 15-day Modifications). SMUD is supportive of staff's suggested modifications and continues to implement innovative programs to move the economy of the Sacramento region toward a zero-emission transportation future. SMUD appreciates the opportunity to provide CARB Board and staff with the following comments on the electricity-related provisions of the proposed modifications, and we look forward to continuing to work with staff and other stakeholders on the implementation of the programs laid out in the LCFS modifications.

**EV Charging at Multi-family Residences (§ 95483(c)(1))**

***SMUD supports continuation of the Electricity Distribution Utility (EDU) as the credit generator for electric vehicle (EV) charging at multi-family residences. SMUD appreciates the change in the Second 15-day Modifications to treat multi-family residential charging identically to single-family residential charging.***

SMUD supports the second 15-day Modifications to treat credit generation from residential EV charging in multi-family residences identically to single-family residence EV charging. Subdividing residential charging into single and multi-family categories would have added considerable complexity to residential electricity credit generation and reporting. Delineating which EV's are registered at single family residences versus multi-family properties would be problematic given that the definition of "multi-family" residences can be very broad, potentially including duplex housing with individual addresses. Creating a distinction between residential housing types would have resulted in a significant amount of electricity fuel usage being unreported in the market place, inconsistent with the goals of this program.

### **Incremental Credits (§95486.1(c)(2)) and Green Tariff programs (§95488.8(i))**

***SMUD appreciates the clarification in the Second 15-day Modifications that incremental credits can be claimed for low-CI energy procured for existing “green tariff” programs.***

SMUD currently sponsors green pricing programs that meet the definition of a Green Tariff program under the Second 15-day Modifications—SMUD’s “Greenenergy” program allows customers to purchase up to 100% of their load from Green-e certified renewable energy through a flat monthly fee on their utility bill. We interpret the revisions to sections 95486.1 and 95488.8 to include SMUD’s Greenenergy program in the definition of eligible zero-CI sources that would generate incremental credits.

Taken together, proposed sections 95486.1(c) and 95488.8(i)(B) direct the Executive Officer to award incremental credits to EDUs for non-metered, residential EV charging by customers on Green Tariff programs such as Greenenergy. We interpret this to mean that CARB would issue incremental credits for non-metered residences shown to receive zero-CI electricity based on the same method of estimation used to calculate base credits, and we therefore support this modification.

### **Electric Vehicles Point-of-Purchase Rebate Program (§95483(c)(1))**

***SMUD supports the proposed point-of-purchase program.***

SMUD supports the addition of the point-of-purchase (POP) rebate program and the contribution percentages outlined on pages 48-49. SMUD believes that upfront buy-down incentives can be an effective tool to increase electric vehicle market adoption. SMUD currently uses a portion of the residential-based LCFS credits we are awarded in a similar fashion—to support our “free fuel for 2 years” program. We view the POP rebate as an effective way to achieve the same objective—by moving the incentive to the time of purchase, you have the highest likelihood of impacting customers’ purchase decisions. We believe this will have a greater positive effect on the buyer’s decision to choose an EV versus other options previously considered.

SMUD is also supportive of the POP program percentage contributions proposed in the Second 15-day Modifications for the different EDU classes. SMUD currently funds a host of measures with our awarded LCFS credits that we have found advance EV market adoption by our customers and return value back to them, with major environmental and community benefits. We find it critical that EDUs continue to use their LCFS credits, in part, for a variety of programs that support market transformation of the mass automotive market.

In addition to the upfront rebates we currently offer, SMUD also currently uses the LCFS residential credits we are awarded to support: charging infrastructure deployment, public outreach and education, dealer engagement, and on-line tools like an EV-bill calculator. All of these measures are targeted toward increasing residential plug-in

electric vehicle (PEV) sales and reducing GHGs by transforming our customer's fuel usage from petroleum to clean electricity. We also strongly believe that our infrastructure deployment activities are enabling customers in disadvantaged communities and multi-family residences to approach EV ownership. These customers have been shown to have higher barriers to EV adoption because they often do not have access to other forms of charging infrastructure. SMUD views outreach and education as a critical piece of our strategy to increase awareness around PEVs by supporting potential EV buyers with information and motivating them to consider PEVs through ride-and-drive opportunities. These events allow customers to experience electric drive propulsion and the benefits of electricity as a clean fuel.

SMUD recognizes that many of the details around a statewide POP rebate program have yet to be developed. We stand ready to support those development activities and are committed to working together with CARB, our fellow utilities, and the EV industry to ensure the success of this important program.

Thank you for your consideration of these comments.

/s/

---

STEVEN G. LINS  
Deputy General Counsel  
Sacramento Municipal Utility District  
P.O. Box 15830, MS A311  
Sacramento, CA 95852-0830

/s/

---

BILL BOYCE  
Manager, Electric Transportation  
Sacramento Municipal Utility District  
P.O. Box 15830,  
Sacramento, CA 95852-0830

cc: Corporate Files