



February 20, 2024

California Air Resources Board
1001 I Street
Sacramento, CA 95814

RE: Proposed Low Carbon Fuel Standard Amendments – SUPPORT

Dear Members of the California Air Resources Board,

The Port of San Diego (District) is pleased to express its strong support for the proposed Low Carbon Fuel Standard (LCFS) Amendments, as presented during the public workshop on August 16, 2023, and detailed in the Standardized Regulatory Impact Assessment of September 8, 2023.

The District fully endorses the objective of increasing carbon intensity reduction targets and extending the LCFS program through 2045. These amendments align with its commitments outlined in the [Maritime Clean Air Strategy](#) (MCAS) and are pivotal for achieving significant progress in reducing carbon emissions associated with its operations.

Under the groundbreaking Intergovernmental Support Agreement (IGSA) between Navy and Port of San Diego in 2022, funds generated from the sale of LCFS credits are used to begin significant upgrades to the electrical infrastructure at Naval Base San Diego and the Port of San Diego. Since the signing of that agreement, \$14.5 million has been generated from the sale of LCFS credits. The Navy's participation in this program is the first-ever participation by the Department of Defense in this type of carbon reduction effort.

To date, the District has utilized the funds to implement two new shore power systems, acquire two pickup trucks for the Port's own fleet of vehicles, and procure five new yard tractors. Furthermore, the District's ambitious plans for future projects include two additional shore power implementations, ten electric yard tractors, Electric Vehicle Supply Equipment (EVSE), and a substantial expansion of electric trucks within the District's own fleet, of approximately 80 vehicles.

However, low prices of LCFS credits challenge the Port's ability to fund these essential projects. The District understands the dynamic balance between supply and demand in the LCFS credit market, but kindly requests the California Air Resources Board (CARB) consider expediting the timeline for implementing these amendments.

While the District acknowledges the prevailing surplus and the influx of renewable diesel into the state, it is concerned about the foreseeable bear market predicted for 2024 and 2025. Therefore, **the District appreciates your careful consideration of its request to expedite the implementation of the proposed LCFS Amendments.**

Thank you for your shared dedication to advancing environmental sustainability and your ongoing partnership with the District's efforts to improve air quality in California. The District looks forward to continued collaboration with CARB to create a cleaner and more sustainable future.

Sincerely,

A handwritten signature in blue ink, appearing to read "Job Nelson".

Job Nelson
Vice President, Strategy & Policy