



January 6, 2022

California Air Resources Board  
Low Carbon Fuel Standard Program  
Docket: lcfs-wkshp-dec21-ws%20

Re: Comments on Potential Future Changes to the LCFS Program (lcfs-wkshp-dec21-ws%20)

PineSpire appreciates the opportunity to participate in the discussion of potential future changes to the LCFS program as well as staff's efforts to engage stakeholders and integrate complex details into an equitable and transparent program. PineSpire strives to enable broad participation in the LCFS program and the electrification and decarbonization benefits that it provides. We work across several industries and with a wide range of business sizes, and consistently see participation in programs like the LCFS as a way to initiate conversations around fleet planning, energy management, and air quality compliance. Our comments are geared towards continuing to improve the LCFS program to serve and include a range of participants (including agriculture) and amplify the benefits of the program as other regions follow CARB's lead.

We have organized the following comments based on the CARB workshop presentation and stated principles for policy concepts:

1) Incentivize Investment: Strengthen CI Targets and extending post-2030

We strongly support CARB's statement that a "long-term market signal accompanied by regulatory certainty" is crucial to investment in low carbon fuels and associated vehicles. This principle is a widely recognized truth in business and investment in new technologies. Furthermore, CARB's GHG inventory study demonstrating that emissions exceeding 2020 reduction targets shows that further reduction in the CI targets is not only feasible, but necessary to continue to drive innovation and market motivation beyond the current levels of adoption. The relative instability and decline LCFS prices in 2021 demonstrate the need to move ahead with strengthening and extending the CI Targets as soon as practical to provide investors as well as potential ZEV adopters the confidence to pursue further decarbonization opportunities.

2) Accelerate Transition to ZEVs: Define New EERs for emerging vehicles

The role of LCFS incentives on the adoption of EVs and other low-carbon fueled vehicles is evident in the extensive growth of the program and participation of a wide range of vehicle classes. PineSpire regularly hears from our client-base about the interest in bringing the benefits of LCFS incentives to a wider range of vehicle classes, particularly those that are facing capital cost barriers to wider adoption. Specifically, we suggest evaluating the inclusion of agricultural-use UTVs, agricultural tractors, and other farming vehicles into the program by creating EERs for these types of equipment in the next rulemaking.

CARB has invested significantly in these vehicle technologies through air quality grants including SJVAPCD's Zero-Emission Ag UTV grant and the FARMER program implemented by



several AQDs. These grant programs provide a robust existing dataset to CARB and evidence of the interest and benefit in further adoption, if there were more financial incentives, such as LCFS credits.

### 3) Reflect changes in Technology and Data: Technological Performance and Data Availability

We applaud CARB's ongoing efforts to integrate accurate data into all aspects of the LCFS program. PineSpire recommends extending this consideration into the functionality and efficiency of the LRT-CBTS platform. There are significant opportunities to increase the efficiency of registrations and submittals that would reduce the staff burden to CARB, allowing your team to focus on more complex tasks requiring their expertise. This would also allow participants to focus more resources on low carbon fuel technologies and adoption rather than reporting. Examples include a direct tie-in to data uploads, increased functionality of managing registration statuses and corresponding with staff under specific FSEs or RUs, verifying forklift eligibility by serial number not by location (similar to other eligible vehicle classes), and updating template form requirements and providing information on the allowable field parameters to reduce non-significant field validation errors. These updates would also benefit the exportability of the LCFS program and lower the barrier to entry for smaller fleet owners.

### 4) Streamline Implementation and Enhance Exportability: Expansion of 3<sup>rd</sup> Party Verification

PineSpire supports CARB's efforts to ensure legitimate credit generation and widespread public trust in the program and its effectiveness, including through expansion of 3<sup>rd</sup> party verification. However, we also believe it is important to ensure that cost of participation does not preclude smaller credit generators from the opportunity, and therefore recommend enhancing data integration and evaluation methods to reduce the cost of 3<sup>rd</sup> party validation and ensure it is integrated with the LRT-CBTS system and data process rather than creating an additional resource burden.

### 5) Harmonize with Federal Policy: Add Intra-State Jet Fuel as Required Fuel

The existing LCFS regulation and rulemaking has worked to include nearly all modes of transportation and create a comprehensive rules recognizing a wide range of fuels and technologies. Omitting air transportation is inconsistent and appears counter to the intent of the LCFS regulation, particularly as intrastate flights serve similar function to HDEV, LDEV and MDEV usage (transportation of people and goods).

California has a unique opportunity given the extent of intrastate jet travel (compared to other states) to drive industry innovation and provide an example of what is feasible with sustainable jet fuel. This aligns with the policy goals and would also be impactful beyond California when considering the exportability of the LCFS program.



**PINESPIRE™**

Thank you for consideration of our comments. We look forward to continuing the stakeholder input process on the rulemaking.

Sincerely

A handwritten signature in black ink, appearing to read 'Ryan Huggins'. The signature is fluid and cursive, with a long horizontal flourish extending to the right.

*Ryan Huggins*  
President  
PineSpire