California Electric Transportation Coalition

September 28, 2023

Uploaded to CARB hearing docket.

Re: Low Carbon Fuel Standard (LCFS) Guidance 20-03 on Electricity Credit Proceeds Spending Requirements

Dear Ms. Laskowski,

The California Electric Transportation Coalition (CalETC) appreciates this opportunity to provide written comments in support of amendments to the Low Carbon Fuel Standard. We also appreciate the tremendous effort and accessibility of CARB staff during the extensive public process leading up to this point.

CalETC supports and advocates for the transition to a zero-emission transportation future to spur economic growth, fuel diversity and energy independence, contribute to 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. Our Board of Directors includes representatives from: Los Angeles Department of Water and Power, Pacific Gas and Electric, Sacramento Municipal Utility District, San Diego Gas and Electric, Southern California Edison, Southern California Public Power Authority, and the Northern California Power Agency. In addition to electric utilities, our membership includes major automakers, manufacturers of zero-emission trucks and buses, electric vehicle charging providers, autonomous electric vehicle fleet operators, and other industry leaders supporting transportation electrification. Please note that the views and comments reflected in this letter represent the positions of the CalETC board of directors and some, but not all, of the members of CalETC.

CalETC supports year-by-year decrease in carbon intensity targets to at least 30 percent in 2030, as well as a mid-2024 step down in stringency. Regarding the electricity portion of the LCFS, CalETC has had many meetings with over twenty-five equity stakeholder groups to develop a proposal to improve the improve the utility programs that are funded by electric credits.
As a result, our new proposal would triple the amount of LCFS money that the utilities spend on equity programs. As a reminder, all of the money that the utilities receive from the base residential credits are passed through to customers—the money does not go to the utilities' bottom line. The utilities are also subject to reporting requirements and there is full transparency as to how they spend the funds.

The utilities want this money to go beyond purchase incentives and to fill the gaps that exist for low-income communities. The current LCFS regulations require the utilities to spend most of their funds on a statewide rebate for new car purchases. For the new LCFS, we want to focus this incentive on low-and-moderate income Californians, and we want to allocate more funding to

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the utility specific programs. This will provide more funding for the greatest needs including medium and heavy-vehicles and charging infrastructure, upgrades to the grid to support electrification in equity communities, and equity programs.

CalETC supports extending heavy duty infrastructure credits (also known as capacity credits) to 2035. As this market is nascent, CalETC strongly recommends that CARB avoid imposing many restrictions on this program. We also support extending the existing light duty capacity credits and we recommend no cuts to this program, as opposed to the current staff proposal which is five times less than today's program. Modeling done by the CEC and NREL demonstrates that we need four times more by 2030. CalETC also recommends that the light-duty capacity crediting program be expanded to serve multifamily residences and dense urban areas.

While LCFS supports many types of transportation electrification, it does not support emerging EVs used in agriculture, airports, mining, warehouses, and recreation. Ironically, other fuels can earn credits for vehicles in these sectors. This needs to be fixed. The last 10 years have shown that these industries do not have the wherewithal to develop staff's request for scientific study to prove their efficiency compared to gasoline – called an EER. To solve this problem, we propose LCFS allow these industries to use a conservative default EER that is much less than other EVs. If they want a more realistic EER, these industries can do the full scientific study.

Thank you for your attention to this matter. Do not hesitate to contact us if we can provide any further information.

Regards,

Laura Renger, Executive Director
California Electric Transportation Coalition

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