



Date: March 15, 2023

To: California Air Resources Board (CARB)

Re: Comments of East Bay Community Energy and Marin Clean Energy in Response to the Low Carbon Fuel Standard Public Workshop: Potential Regulation Amendment Concepts

East Bay Community Energy (EBCE) and Marin Clean Energy (MCE) are pleased to provide these comments in response to the Low Carbon Fuel Standard Public Workshop: Potential Regulation Amendment Concepts (Workshop), held February 22, 2023.

Introduction

EBCE and MCE are community choice aggregators (CCAs) across 5 Bay Area Counties and the City of Tracy in San Joaquin County.¹ As the nonprofit public power provider and default load serving entities (LSEs), EBCE and MCE (the Joint CCAs) deliver electricity with higher renewable energy content at a reduced cost to customers through the incumbent investor-owned utility's transmission and distribution system (PG&E). The Joint CCAs provide these comments based on our extensive experience as the default LSEs in our service areas as well as our initiatives focused on deploying Zero Emission Vehicles (ZEV) charging infrastructure and programs in alignment with regional and statewide objectives.

EBCE

EBCE secures electrical energy and manages energy-related climate change programs, including Transportation Electrification (TE), on behalf of our Joint Power Authority (JPA) member communities' residents and businesses. As demonstrated by our activities, EBCE is a stakeholder in light-duty (LD), medium-duty (MD), and heavy-duty (HD) EV charging infrastructure, thus making an easily-accessible LCFS program that supports our initiatives is an important matter. EBCE's current TE initiatives include:

- **EBCE's Equitable Direct Current Fast Charging Network:** EBCE is building 40 to 50 DCFC hubs in its service area over the next 10 years to meet the needs of passenger EVs. Where applicable, EBCE intends on registering this publicly accessible Direct Current Fast Chargers (DCFC) network into the LCFS program, and intends on exploring the use of capacity credits as a tool to accelerate deployment;

¹ EBCE serves more than 1.7 million residential and commercial customers in Alameda county and the City of Tracy. MCE serves more than 1.5 million customers in 37 communities across Marin, Napa, Solano and Contra Costa counties.

- **Alameda County Incentive Project (CalEVIP):** EBCE and Energy Commission partnered to co-fund a \$17.3 million incentive program to make the deployment of publicly accessible Level 2 and DCFC simple and affordable. Equity was prioritized in structuring the program with 50 percent of the budget allocated to projects in disadvantaged and low-income census tracts (DAC/LIC). Additionally, to ensure renters in multifamily housing properties have access to convenient charging infrastructure near where they live, 50 percent of the budget for DCFCs was also dedicated for projects in areas with a dense concentration of multifamily units or multifamily “hotspots”. The program launched December 1, 2021, with demand rapidly outstripping supply. With respect to LCFS credits, given the current design of the LCFS program, EBCE was unable to access LCFS credits at the multifamily unit properties that were supported under CalEVIP, as these credits defaulted to IOU management.
- **EBCE and PG&E Vehicle-to-Grid Integration (VGI) Project:** EBCE is working on a pending commercial VGI pilot with the investor owned utility, PG&E, who operates the transmission and distribution grid in EBCE’s service area. Through the pilot, PG&E will leverage EBCE’s MD/HD goods movement efforts including engagement of key stakeholders. Where applicable, EBCE intends on leveraging provisions within LCFS to accelerate this VGI project;
- **Municipal Fleet Electrification Technical Assistance Program:** EBCE has provided free technical assistance to each of its JPA members (cities, county) over the last 2-years. As a result, each of its local government partners has completed fleet electrification assessments for their light-duty vehicle portfolios. In 2023-24 EBCE will continue to support its partners by scaling this technical assistance to their MD/HD vehicle portfolios, and providing a Charging-as-a-Service product.
- **Zero-Emission Medium- and Heavy-Duty Goods Movement:** EBCE was awarded a California Energy Commission (Energy Commission) grant to develop a *Zero Emission Medium- and Heavy-Duty (MD/HD) Goods Movement Blueprint* (Blueprint). The goal of the Blueprint is to accelerate the transition to zero-emission 3-8 Class goods movement vehicles throughout our service area. To achieve this goal, EBCE will develop actions to be implemented across five key areas of focus: vehicles, infrastructure, financing, workforce development and community benefits. CALSTART has been EBCE’s technical consultant supporting these efforts. With regards to workforce development, EBCE has taken a deep dive with regional stakeholders to identify critical workforce training gaps that need to be filled to transition the MD/HD goods movement economy in EBCE’s service area to zero-emission. In August, 2022 EBCE released a summary of these *Summary of Workforce Training and Needs*;
 - Technical Advisory Services program that provides targeted MD/HD goods movement stakeholders with free technical assistance. This technical assistance included fleet electrification assessments and a rebate application concierge service. EBCE will scale its Technical Advisory Services program this spring in collaboration with Frontier Energy and GNA;

- **Brownfield Revitalization.** EBCE is conducting assessments in its service area, through a grant from the U.S. EPA, to determine the feasibility of revitalizing brownfields into ZEV fast-charging hubs for two use cases: light-duty passenger EVs and MD/HD goods movement vehicles. In recognition of this first-of its-kind project, EBCE was the recipient of the 2022 National Notable Achievement Award from the U.S. EPA. EBCE intends on exploring the use of LCFS credits as a tool to accelerate deployment of EVSE across the brownfields it has assessed.

MCE

MCE has extensive experience in running customer programs that span the entire breadth of distributed energy resources (DERs) as well as Transportation Electrification. Since 2017, MCE has been offering several TE programs and incentives to its customers, including a pilot monetizing LCFS credits, demand response-enabled charging devices, equity-centered incentives for EVs, and funding for EV charging stations.

- **MCEv:** The MCEv program provides rebates for eligible Electric Vehicle Supply Equipment (EVSE). Through 2022, MCEv committed or provided \$5.6 million in rebates to over 1,990 charging ports in MCE's service area. Rebates are available for EVSE that are capable of being networked, and vendors providing Qualifying Equipment are required to report whether EVSE's are capable of load management and are compliant with the OpenADR2.0b communications protocol. As a sub-program within MCEv, MCE has an LCFS pilot to help out customers claim and monetize LCFS credits associated with charging at workplaces.
- **MCE Sync:** MCE Sync is a managed charging program with the objective of regular load-shifting away from the 4pm-9pm peak window, while also seeking to align as much EV charging as possible with high-solar daytime hours. The pilot launched on November 8th, 2021 with customer enrollment and at the end of 2022 had enrolled approximately 1,000 MCE customers who charge their EVs at home into a software platform which delivers direct load control over EV charging using vehicle telematics and networked EVSEs. To date the program has shifted 90% of EV charging events out of the 4 pm – 9 pm window. An analysis of program data through May 2022 showed that customers saved an average of \$10 shifting charging to off-peak hours. MCE is able to claim LCFS credits for metered residential charging under the program.

Based on these localized and community-driven efforts, as well as detailed experiences specific to clean transportation, EBCE and MCE provide the following feedback on the Workshop.

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Comments

I. ZEV Infrastructure

The Joint CCAs widely support LCFS crediting practices that encourage EV adoption. In this regard, the Joint CCAs provide the following feedback:

- a. **Support for MD/HD capacity credits.** The Joint CCAs are pleased that CARB has developed a detailed regulatory framework for MD/HD ZEV capacity credits. Extending capacity credits to the MD/HD sector is a critical matter that the Joint CCAs supported, as shared in their July 2022 workshop response.² These capacity credits will support a diverse array of MD/HD fleet initiatives, including and not limited to Advance Clean Fleets (ACF), Innovative Clean Transit (ICT), and will coincide pair with California's 2022/23 Budget investments, which alone has authorized an unprecedented multi-year, multi-billion dollar investment in MD/HD ZEVs (upwards of \$3 billion), in:

- MD/HD ZEVs and supporting infrastructure;
- Zero-emission drayage trucks;
- Zero-emission transit buses;
- Electric school buses;
- Off-road equipment and fueling infrastructure;
- Port electrification; and
- Others.

Long-range use of MD/HD capacity credits recommended. To ensure alignment between LCFS regulation and CARB's various MD/HD initiatives, the Joint CCAs encourage CARB to send clear market signals by allowing for extensive use of these capacity credits at least until 2040, which aligns with the ICT Zero-Emission Bus Rollout Plan. Further, the Joint CCAs encourage CARB to consider setting capacity credits to the 2045 time horizon, which would be consistent with ACF regulation. Setting capacity credits to the 2040 or 2045 time horizon will encourage ICT and ACF stakeholders to leverage this provision to help meet their obligations in this nascent market.

- b. **Continue LD capacity credits uninterrupted until 2030 or 2035.** The Joint CCAs appreciate that CARB intends to extend the LD capacity credit program. These credits have been crucial in accelerating DCFC and hydrogen infrastructure deployment. That said, the Joint CCAs encourage CARB not to reduce LD capacity credit provisions until DCFC deployment has substantially exceeded the 10,000 DCFCs target. Notably, CARB's Gap Analysis for Workplace and Public Locations highlights: "While the EVI-Pro model results show the need for 99,000 to 133,000 Level 2 nonresidential chargers and 9,000 to 22,000 DC fast chargers, significantly more chargers will be need to support the

² See: *Comments of the Joint CCAs on Potential Future Changes to the LCFS Program, in response to July 2022 workshop*; Website Access: [91-lcfs-wkshp-jul22-ws-AHAAaVlgACcAKwdw.pdf](#).

Governor's 2030 goal.”³ In other words, this implies that as we move to achieving the state's 2030 goals, more than 10,000 DCFC will need to be made available. Accordingly, the Joint CCAs recommend that CARB continue to support LD capacity credits well into 2030, and beyond the 10,000 DCFC threshold.

Relatedly, the Joint CCAs agree with comments provided by California Electric Transportation Coalition (CalETC) that LD capacity credit should align with regulatory timelines such as Advanced Clean Car 2 (i.e., 2035). The Joint CCAs also encourage CARB to consider maintaining LD capacity credits in alignment with other regulations, such as the Clean Miles Standard (i.e., 2030).⁴

II. Further Unresolved Matters

In addition to the recent proposals outlined in the Workshop, there are a variety of unresolved matters that the Joint CCAs have previously shared with CARB, including:

- a. CARB's rules governing residential incremental charging credits should be applied consistently across all LSEs, to empower customers to generate credits for using clean electricity as a transportation fuel;
- b. Base credits provision should be revised to identify the LSE serving generation to residential load – which may be an Electrical Distribution Utility or a CCA – rather than solely the EDU, as the base credit generator
- c. Request to reclassify MUD charging as “non-residential,” which will ensure more equitable deployment of EVSE supported by the LCFS program as charging attributed to EV drivers who live at MUDs by eliminating unworkable data collection to collect credits for the associated charging.

The Joint CCAs detailed these concerns in response to the July 22nd, 2022 workshop⁵ and request CARB to provide an update on these crucial matters to the Joint CCAs in the upcoming discussions on modifying the LCFS programs.

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³ *EV Charging Infrastructure: Nonresidential Building Standards _ 2019/2020 Intervening Code Cycle: CARB Staff Technical and Cost Analysis California Air Resources Board 11/15/19; Website Access: EV Charging Infrastructure Nonresidential Building Standards (ca.gov)*

⁴ *CARB; Clean Miles Standard; Website Access Final Regulation Order (ca.gov)*

⁵ *See: Comments of the Joint CCAs on Potential Future Changes to the LCFS Program, in response to July 2022 workshop; Website Access: 91-lcfs-wkshp-jul22-ws-AHAAaVlgACcAKwdw.pdf.*

IV. Conclusion

The Joint CCAs applaud CARB's leadership for continuing to build LCFS regulations closely aligned with the state's accelerated and evolving ZEV initiatives. That said, there are various areas within the regulation where adjustments are warranted to more successfully align LCFS regulation with this momentum.

In summary, the Joint CCAs encourage CARB to:

- Ensure the use of MD/HD capacity crediting to at least a 2040 or 2045 time horizon;
- Maintain LD capacity crediting at least until a 2030 or 2035 time horizon;
- Designate the LSE serving the residential load as the base credit generator for such load, not the EDU;
- Reclassify MUD charging as "non-residential".

Thank you for reviewing our comments. The Joint CCAs appreciate the opportunity to provide this feedback to CARB and encourage integration of the concepts that we have shared.

Please reach out to Paul D. Hernandez, Principal Regulatory Manager, Transportation Electrification, with any questions or for clarification (phernandez@ebce.org).

Respectfully Submitted,

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