



January 30th, 2023

Comments on the Proposed Low Carbon Fuel Standard Amendments Related to the Reduction of EER Ratio for Forklift Trucks with <12,000 lbs Lift Capacity

In response to CARB's proposed Low Carbon Fuel Standard Amendments, we would like to submit our strongest opposition to the reduction of EER Ratio for Forklift Trucks with <12,000lbs Lift Capacity by 50%, down to 1.9 from the current value of 3.8.

CARB is also mandating the use of metering to meter the credits for forklift trucks. Note that reducing the EER ratio by 50% reduces the number of credits generated by two-thirds, or 67%. When the two are combined, i.e., reducing EER to 1.9 and metering the electricity dispensed for forklifts, the total number of credits per forklift truck will be reduced by >90%. In fact, this is evident from CARB's projected published CATs model output file for 2025, where the LCFS credits generated by forklifts in 2025 are projected at 174,459 credits, dropping from a peak of 1.882 million LCFS credits in 2023, a 92.7% reduction in the number of credits.

This proposed reduction in EER is an attempt to allow forklift trucks to earn credits. However, its impact will prevent most participants from being able to claim any credits under the program. The cost of the added metering requirements and the major reduction in the number of credits that can be generated will make it uneconomical for most users to remain or opt into the program. This is especially the case for smaller and medium-sized operators of forklifts. In essence, CARB is actually phasing out forklifts with lift capacity <12,000 lbs, one of the first proposals they proposed.

One of the justifications that CARB has given in the statement of reasons is that many of the forklifts have successfully transitioned to zero-emission technology, which is widely available. Yet, CARB doesn't seem to have a standard to apply across the board when a certain pathway or technology has successfully transitioned to low/zero-emission or becomes widely available. For example, biodiesel and renewable diesel are also becoming widely available, and the share of biodiesel and renewable diesel in the diesel mix has exceeded 57%. Yet, CARB has not placed any limits on these two fuel alternatives. In fact, biodiesel and renewable diesel have negatively impacted LCFS credit prices to the point where many technologies are no longer feasible and can no longer benefit from the LCFS program.

Given the above facts, we strongly oppose reducing the EER ratio for forklifts with lift capacities <12,000 lbs. Reducing the EER ratio is a death sentence to forklift truck LCFS crediting.

Respectfully.

/s/

Nasser Kutkut, PhD, DBA

CEO

Smart Charging Technologies LLC