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Dr. Cheryl Laskowski
Chief, Transportation Fuels Branch

California Air Resources Board
Low Carbon Fuel Standard Program
1001 I St.
Sacramento, CA 95814

September 19, 2022

TeraWatt Infrastructure Comments on the August 18, 2022, LCFS Workshop – Potential Future Changes to the LCFS Program

Dear Dr. Laskowski,

TeraWatt Infrastructure, Inc. (TeraWatt) appreciates the opportunity to submit comments on the potential future changes to the Low Carbon Fuel Standard (LCFS) program. TeraWatt is a project developer and long-term owner of high-powered EV charging infrastructure for light, medium and heavy-duty commercial fleets.

Introduction

The following are a summary of TeraWatt's feedback to CARB after the August 18, 2022 workshop, which focus specifically on the topic of Electricity Verification for EV charging transaction types:

- Changes to verification requirements for EV charging transactions is premature at this time
- Smaller EV charging credit generators should be exempted from any third-party verification requirements
- Verification requirements for EV charging transactions should align with other state regulations for EV charging equipment

Specific Feedback on CARB Staff Questions and Proposals

TeraWatt believes it is premature to make changes to verification requirements for any EV charging transactions at this time

While the total percentage of EV charging transactions is increasing annually within the LCFS program, EV charging credits generated through fueling medium- and heavy-duty fleet vehicles is still a nascent and emerging sector, and the LCFS program is a vital tool to accelerate the transition to zero-emission vehicles for fleets. Fleet operators that are currently assessing the cost, and therefore timeline, by which they are able to transition their fleet to electric are evaluating upfront vehicle costs as well as the on-going operational costs associated with fueling. The fueling costs are often a major determinate to the timeline and the investment decisions for fleet operators, as electricity costs can be higher and more variable than other traditional fuel types. The LCFS program provides one the of the most important incentive mechanisms to assist in bringing down the on-going costs of electric fueling, and can provide significant benefits in accelerating vehicle conversion, but also in the upfront build out of EV charging infrastructure needed to provide certainty to fleets that they will have access to the charging infrastructure necessary for their operational needs. This also aligns with CARB's own proposed regulations under the Advanced Clean Fleet¹ rule which would further advance a need for fleet operators to be able to transition to ZEV, and to do so as cost-efficiently as possible. It is important at this nascent stage in the market for EV adoption and fleet charging infrastructure to maintain the current structure and participation process for the LCFS program. Introducing additional administrative requirements will likely increase the cost of participation, which may have the unintended effect of deterring fleet operators and fleet fueling infrastructure providers from leveraging the LCFS program to accelerate investments in EVs and EV charging infrastructure.

¹ <https://ww2.arb.ca.gov/sites/default/files/barcu/regact/2022/acf22/notice2.pdf>

The exemption from the third-party verification requirement for smaller credit generators should be extended to EV charging transaction types

When and if any third-party verification requirements would be phased in for EV charging transactions, TeraWatt would support an extension of the existing exemption threshold of 6,000 credits or deficits in a calendar year to include EV charging on a per fueling supply equipment (FSE) Location ID basis. This would ensure that smaller credit generators, such as facilities serving fleets that are beginning the transition to electrifying their vehicles, are not deterred from participating in the program.

Verification requirements for EV charging transaction types should leverage existing EVSE accuracy standards in lieu of additional third-party verification requirements

CARB should align any verification requirements for EV charging transaction types with existing regulations that EVSE already have to meet in California, specifically the Electric Vehicle Fueling Systems Specifications² that are in place through the California Department of Food and Agriculture Division Measurement and Standards (DMS). These regulations, which are based on the National Institute of Standards and Technology's Handbook 44³, require all new EVSE used for commercial purposes in California to meet minimum accuracy levels to ensure the proper measurement of dispensed electricity. DMS has in place its' own third-party verification requirements for EVSE to ensure that any commercial charging stations in California meet the standards. CARB should leverage this existing process through DMS and provide a pathway for compliance with any future potential third-party verification requirements by allowing any EVSE that meets the DMS regulations to forgo additional third-party verification measures specific to the LCFS program.

Conclusion

TeraWatt applauds Staff and the Board for the innovation and progress of California Low Carbon Fuel Standard program to date and looks forward to the amendment

² https://www.cdfa.ca.gov/dms/pdfs/CA_EVSE_Regulation_Reference_Document.pdf

³ <https://www.nist.gov/system/files/documents/2021/12/06/Handbook-44e2022.pdf>

process to enhance the Regulation to deliver material carbon reductions directly in California and as a model regulation for other jurisdictions.

Sincerely,

A handwritten signature in black ink, appearing to read 'Anthony Harrison', with a long horizontal flourish extending to the right.

Anthony Harrison

Head of Regulatory and Government Affairs