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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

January 7th, 2022

TeraWatt Infrastructure Comments on the December 7, 2021, 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.

TeraWatt strongly supports the proposal to **establish declining carbon intensity (CI) compliance targets post-2030 as well as to strengthen interim pre-2030 targets**. These combined actions will send an emphatic policy signal to the private investment sector to make long-term commitments to decarbonizing California's transportation fuels sector - by both extending the reliable investment horizon and supporting the demand for carbon-reducing projects.

While TeraWatt *could* be supportive of Staff's proposal to extend the Hydrogen Refueling Infrastructure (HRI) pathway to specifically support public, medium- and heavy-duty refueling applications, this would **only be appropriate in conjunction with extending the Fast Charging Infrastructure (FCI) pathway to specifically support the same regarding battery electric trucks**. Truck charging infrastructure needs to be scaled urgently in order to support the deployment of medium- and heavy-duty vehicles, ahead of the time when this infrastructure is realistically able to be fully utilized. The economic concepts behind FCI, which has been utilized almost exclusively for light duty vehicle applications, are evident, especially in the heavy-duty vehicle market, albeit with the industry factors and challenges being more extreme. The enhancement of HRI and FCI to support medium- and heavy-duty vehicle refueling is only logical in conjunction as these two critical zero emission fuel sources need infrastructure to scale in order to meet California's zero emission transportation mandates.

Furthermore, TeraWatt proposes Staff consider the following important concepts for future program changes:

- **Zero CI Electricity with Book and Claim Accounting** - Staff should consider codifying within the Regulation that each Fuel Station Equipment (FSE) ID at an existing FSE *Location* ID in the LRT system can utilize low or negative CI electricity for the duration of the Regulation for any FSE ID under the same FSE Location ID. Such an amendment can provide much needed certainty to suppliers of low and negative CI RECs and parties to structured EV infrastructure financing as to a project's lifetime value of low or negative CI renewable energy credits. By doing so, a Fuel Reporting Entity may rely upon the ability to generate LCFS credits from EV charging utilizing its approved and valid Alternative Fuel Pathway for Zero or Negative CI Electricity.
- **Energy Economy Ratios (EER) for Electric Vehicle Classes** - Staff should consider additional and updated EERs for vehicle classes, compared to the current use of 2 unique EER categories.
- **EER for Urban Electric On-Demand Transportation Services** - Staff should consider the creation of a unique EER for Fueling Supply Equipment (FSE) dedicated to light duty urban electric on-demand transportation services. These transportation applications have a higher fuel efficiency than the average personal passenger vehicle fleet, which should be accounted for when generating LCFS credits.

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

Sincerely,

David Schlosberg
VP Solutions