



April 23, 2018



California Air Resources Board
1001 I Street
Sacramento, CA 95814

Subject: Anaheim and Riverside Public Utilities' Comments on the Proposed Amendments to the Low Carbon Fuel Standard Regulation

City of Arts & Innovation

Dear Members of the California Air Resources Board (Board),

Anaheim Public Utilities (APU) and Riverside Public Utilities (RPU) appreciate the opportunity to provide comments on the Proposed Amendments to the Low Carbon Fuel Standard Regulation, as published by the California Air Resource Board (CARB) on March 6, 2018. This comment letter describes APU's goal, design, and implementation of its Public Access Electric Vehicle (EV) Charging Station Rebate Program, funded by the Low Carbon Fuel Standard (LCFS) credits. RPU opted into the LCFS Program in March 2018 and is in the process of developing its programs and values the ability to design a set of programs that best serve its community. This letter also points out APU's and RPU's concern over a new reporting requirement in the Proposed Amendments for the purpose of base credit calculation.

Program Goal: Transportation Electrification in Disadvantaged Communities

SB 350 requires that larger publicly owned utilities (POUs) each adopt an integrated resource plan (IRP) to “minimize localized air pollutants and other greenhouse gas emissions, with early priority on disadvantaged communities”.¹ In

¹ Public Utilities Code Section 454.52 (a)(1)(H) and Section 9621 (b)(3).

addition, Governor Brown's Executive Order B-48-18² stipulates the goal of "250,000 zero-emission vehicle chargers, including 10,000 direct current fast chargers, by 2025."

APU and RPU are both owned by and directly accountable to the people and businesses that they serve, and are proud of the critical and direct role they play in local communities. Roughly half of both APU and RPU service territories are comprised of low income and disadvantaged communities,³ many of which are located along highway corridors and in high-density housing neighborhoods.

In early 2017, APU launched a city-wide customer survey as part of its IRP community outreach efforts to obtain customer input on APU's IRP objectives. As part of the survey, customers were asked for their opinions on local air quality. According to the responses received, lower income customers gave lower ratings on air quality, and attributed local air pollution mainly to mobile sources. Indeed, many of APU's low income and disadvantaged customer neighborhoods lie along transportation corridors. The survey also concluded that renters are as likely to own EVs as homeowners are, and that access to public charging would greatly motivate EV ownership. This customer feedback validates APU's decision to support transportation electrification through the deployment of publicly accessible EV charging infrastructure throughout its service territory.

RPU is in the process of developing programs to incentivize EV ownership. Like most Southern California cities, many of our customers commute to other locations for work and other reasons; and, Riverside is a destination for many universities and schools as well as hosting several large employers, including County and Federal courts and other offices. Expanding EV infrastructure to support EVs is as important as incentivizing customers to own or lease EVs.

² <https://www.gov.ca.gov/2018/01/26/governor-brown-takes-action-to-increase-zero-emission-vehicles-fund-new-climate-investments/>

³ APU's low income and disadvantaged communities include communities designated by CalEPA using the California Communities Environmental Health Screening Tool ("CalEnviroScreen") and Community Development Block Grant (CDBG) eligible areas as defined by the Department of Housing and Urban Development.

APU and RPU believe that POU's are uniquely positioned to address the needs of customers within their service territories, which in APU's case includes planning and implementing publicly accessible EV charging infrastructure to benefit all customers. Limiting or reducing the POU's uses of proceeds from LCFS credit sales to specific programs will not further or encourage POU participation in the LCFS Program.

APU's Program Design: Public Access EV Charging Station Rebate

APU opted into the LCFS program in 2016 and uses the proceeds from the sale of LCFS credits, primarily from the credits received for non-metered residential charging, to self-fund APU's Public Access EV Charging Station Rebate Program, which is designed with multi-unit dwelling customers and disadvantaged communities in mind. The program provides rebates:

- Up to \$5,000 per EV charging station and \$10,000 per direct current (DC) fast charging stations at multi-unit dwelling locations or other publicly accessible areas.
- Up to \$10,000 per EV charging station serving Affordable Housing or K-12 schools.

On a quarterly basis, APU reports to CARB the Daily Average EV Electricity Use data from these LCFS-funded non-residential charging stations and receives additional credits for metered EV charging. Proceeds from LCFS credit sales are used to fund additional rebates to further promote transportation electrification and to reduce local air pollutants, particularly within the low income and disadvantaged communities.

Highlighting APU's Successful Program Implementation

Since the inception of APU's Public Access EV Charging Station Rebate Program, 21 publicly accessible EV charging stations have been installed and 138 more are expected to be installed by the end of 2018. As of December 2017, 193 public access

charging stations are located within APU service territory,⁴ of which, 90% are located in low income or disadvantaged communities.

APU's Public Access EV Charging Station Rebate Program is working successfully for the benefit of Anaheim's residents and businesses. The funding received from the sale of LCFS credits is vital to keeping this program available to APU's customers; as the proceeds from the sale of LCFS credits is the primary funding source of the program. Most importantly, any regulatory requirements that remove or redirect how this funding must be spent would be detrimental to this successful program.

In addition, APU believes the Board's support of the Public Access EV Charging Station Rebate Program will encourage other non-participating POUs to consider becoming LCFS Credit Generators,⁵ since the program allows POUs to focus on local communities and build on utility core strengths, including providing electricity as the cleaner, alternative transportation fuel.

Section-Specific Comments

Lastly, APU and RPU offer the following section-specific comments to highlight that the Daily Average EV Electricity Use data from metered residential charging in a utility service territory, all by itself, may not be the best available data for the purpose of base credit calculations for that utility.

⁴ U.S. Department of Energy's Alternative Fuels Data Center, http://www.afdc.energy.gov/data_download, December 20, 2017.

⁵ Proposed Amendments to the Low Carbon Fuel Standard Regulation (March 6, 2018), Subsection 95481 Definition and Acronyms (29). "Credit Generator" means a fuel reporting entity or a project operator that generates LCFS credit in the LCFS program.

SUBSECTION 95491(d)(3)(A)1. Specific Quarterly Reporting Parameters for Electricity used as a Transportation Fuel – For Non-Metered Residential EV Charging

The Proposed Amendment requires the Electrical Distribution Entity to “provide the (Board’s) Executive Officer Daily Average EV Electricity Use data for the calculation of credits for non-metered residential charging from the prior year. The Executive Officer shall use the method set forth in subsection 95486.1(c)(1),⁶ to calculate any (base) credits generated for the prior year” .⁷

APU and RPU have only a handful of customers that have chosen to meter their EVs separately (sub-metered). While each utility is able to provide this data, the size of the dataset collected would not be a representative sample of the total non-metered residential EV charging population throughout the utilities’ service territories. Relying solely on the small dataset to calculate these base credits may result in significantly over or under estimated values because the metered data is not a representative sample of the number of residential EVs.

The Proposed Amendments also state that, “The Executive Officer will use the following method to calculate the quantity of electricity used for non-metered residential charging: *...based upon the best data available* to the Executive Officer, during the compliance period”.⁸ (Emphasis added.) CARB staff has in fact been calculating the quantity of electricity used for non-metered residential EV charging on behalf of APU. APU encourages the Board to clarify the language and continue to calculate non-metered residential EV charging on behalf of smaller utilities, based upon the best data available

⁶ Proposed Amendments to the Low Carbon Fuel Standard Regulation (March 6, 2018), Subsection 95486.1(c)(1) Generating and Calculating Credits and Deficits Using Fuel Pathways – Base Credits for EDUs.

⁷ Proposed Amendments to the Low Carbon Fuel Standard Regulation (March 6, 2018), Subsection 95491(d)(3)(A)1. Specific Quarterly Reporting Parameters for Electricity used as a Transportation Fuel – For Non-Metered Residential EV Charging.

⁸ Proposed Amendments to the Low Carbon Fuel Standard Regulation (March 6, 2018), Subsection 95486.1 (c)(1)(A)1. Calculation of Credits for EV Charging Using Fuel Pathways – For Non-Metered Residential EV Charging.

Thank you for your time and consideration. APU and RPU welcome opportunities for continued collaboration with CARB and the Board in furtherance of both utilities' efforts for supporting transportation electrification within our respective service territories.

Respectfully Submitted,

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