

October 16, 2024

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Clerks' Office
California Air Resources Board
1001 I Street
Sacramento, California 95814

Subject: Low Carbon Fuel Standard – Second 15-Day Notice Comments

The Alliance for Automotive Innovation (Auto Innovators)¹ and our members appreciate the opportunity to comment on the Second proposed 15-Day changes to the Low Carbon Fuel Standard (LCFS).² We recommend using funding generated by light-duty (LD) electric vehicles (EVs) to promote and expand the LD EV market to all California communities, rather than using that funding for unrelated medium- and heavy-duty (MD and HD) EV projects.

Automakers are committed to electrification of the light-duty vehicle market. However, this transition is far from complete. In fact, EV sales have plateaued in California at around 25 percent for the last 9 months. Far higher sales are needed in the next few years to meet the growing EV regulatory requirements of 43% in 2027, 51% in 2028, or 68% in 2030. Reaching these levels requires sales far beyond the affluent single-family homeowners that currently purchase most EVs. The substantial resources associated with the LCFS program should promote EVs and expand the EV market to all communities. However, this will not be the case if the LCFS proceeds from LD EVs are used to fund MD and HD EV projects.

We continue to support regulatory provisions that allow up to 45 percent of the base credits generated by LD EV residential charging to the automakers (aka, "OEMs") producing those

¹ Auto Innovators represents the full auto industry, including the manufacturers producing most vehicles sold in the U.S., equipment suppliers, battery producers, semiconductor makers, technology companies, and autonomous vehicle developers. Our mission is to work with policymakers to realize a cleaner, safer, and smarter transportation future and to maintain U.S. competitiveness in cutting-edge automotive technology. Representing approximately 5 percent of the country's GDP, responsible for supporting nearly 10 million jobs, and driving \$1 trillion in annual economic activity, the automotive industry is the nation's largest manufacturing sector. (www.autosinnovate.org)

² California Air Resources Board. (2024, August 12). *Second Notice of Public Availability of Modified Text and Availability of Additional Documents and/or Information Proposed Low Carbon Fuel Standard Amendments*. Retrieved October 7, 2024, from https://ww2.arb.ca.gov/sites/default/files/barcu/regact/2024/lcfs2024/2nd_15day_notice.pdf

vehicles, since OEMs are in the best position to promote EV sales. However, regardless of who receives the funding (OEMs or utilities), LCFS credit revenue generated by LD EVs should be used to promote the LD EV market.

We provided concrete recommendations that address this and other shortcomings in the regulations in our letter dated, August 27, 2024, which we incorporate in these comments by reference.

Again, we sincerely appreciate the hard work and collaboration by CARB staff on the proposed changes. Please don't hesitate to contact me if you have any questions or need additional information.

Sincerely,

A handwritten signature in black ink, appearing to read "Dan Bowerson", with a long horizontal flourish extending to the right.

Dan Bowerson

Vice President, Energy & Environment

dbowerson@autosinnovate.org