



## Sustainability in Action

February 16, 2024

California Air Resources Board  
1001 I Street  
Sacramento, CA 95814

Re: Republic Services Comment Letter Regarding Proposed Changes to California's Low Carbon Fuel Standard (LCFS)

Staff of the California Air Resource Board:

Republic Services is committed to sustainability and shares the California Air Resource Board (CARB) mission of taking action to improve the communities we serve. Through our climate leadership initiative, we are on track to meet our science-based target goals of 35% reduction in Scope 1 and 2 emissions and working toward improvements in circular economy and renewable energy goals. We are proud of our electric vehicle (EV) fleet deployment in California and the contributions of these vehicles to the LCFS program goals.

It is important that changes to the LCFS program properly align incentives with fleet and infrastructure transition timelines. Our review of the draft regulation indicates that staff has arrived at the proper balance between supporting investments in low carbon fuels that have been made over the past decade while continuing to incentivize participation and investment in ZEV fleets.

Our comments are brief and related to verification of quarterly fuel transaction reports.

### **Section 95500(c)1E - Verification of Quarterly Fuel Transaction Reports**

Republic Services welcomes improvements that enhance the integrity of the LCFS and continuation of processes serving to validate credits that are part of the program. It is clear CARB views third party verification (3PV) of EV credit pathways as an essential addition to the program. However, our view is that the proposed rule may create an unnecessary administrative and financial burden on EV participants.

Our proposal would be for CARB to re-evaluate the 3PV requirements as they apply to EV pathways and simplify the administrative responsibilities of participants in the program. We believe that CARB can obtain the level of confirmation they are seeking while ensuring that the 3PV process does not unduly burden entities that are pro-actively pursuing the emissions reduction goals that have been set forth.



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For example, our EV charging is reported through BP and Shell's software platforms who review our data for accuracy and consistency relative to consumption data. Verifying our data through an established review process will continue to promote the integrity of the LCFS and correspondingly reduce our administrative burden. While there are reduced requirements below the 6,000 credit level under §95500(c)(2)(B), our expenses related to a 3PV utilizing the two year deferment could still outstrip proceeds from credit revenue.

It will be important to arrive at a suitable level of oversight considering the requirements and expense related to EV infrastructure installation, the premium associated with EV vehicle purchases and record keeping associated with utility projects. A balance of flexibility in 3PV site visit requirements while maintaining integrity to the program will be critical to incentivizing early and long-term participation in the EV space. The 3PV requirements as proposed may disincentivize participation in the program for early adopters and impact rates to customers which in turn would hinder the goals of reducing GHG emissions through the LCFS.

A potential means of achieving these goals is the implementation of a desktop remote audit every 2-3 years with site visits being subsequently required if discrepancies beyond a defined threshold are identified. Our organization is willing to explore the concept of two-way data access (ie. API – Application Programming Interface). This construct and platform is in use with utility incentive programs we are currently involved in and has proven to be a very suitable replacement for time consuming and costly field verifications.

Considering the number of charging centers that will require 3PV in the near term and certainly the extended term, it seems inefficient to have this verification process be in person versus other more streamlined methods that are currently in use. As a point of reference, at full buildout Republic alone will have an estimated 35-40 charging centers that under the current draft language would cost \$10,000 each per quarter to comply. Our company would rather place those funds towards infrastructure and EV purchases versus in person 3PV that could be accomplished in a more efficient manner.

We appreciate your consideration of our requested changes and look forward to continued dialogue on the LCFS final rulemaking. We commend CARB leadership and staff on the overall draft regulation that has been put forth and appreciate the opportunity to participate.

Very Best Regards,

A handwritten signature in blue ink that reads "Mike Caprio".

Mike Caprio  
Director of Government Affairs – CA