

GENERAL MOTORS

February 20, 2024

Clerks' Office

California Air Resources Board

1001 I Street

Sacramento, CA 95814

(submitted electronically via <https://ww2.arb.ca.gov/applications/public-comments>)

RE: Low Carbon Fuel Standard: 2024 Proposed Amendments

General Motors LLC (GM) appreciates the opportunity to offer comments on CARB's Low Carbon Fuel Standard (LCFS) Proposed Amendments for 2024.

If you have any questions, please contact me at +1-202-775-5071.

Sincerely,

A handwritten signature in blue ink, appearing to read "David Strickland". The signature is stylized and written in a cursive-like font.

Hon. David Strickland

Vice President

Global Regulatory Affairs and

Transportation Technology Policy

General Motors LLC

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EXECUTIVE SUMMARY

General Motors LLC (“GM”), headquartered in Detroit, MI, is a global automotive manufacturer committed to positively impacting the communities where its customers live and work. As of December 2023, GM employs roughly 163,000 employees, operates 120 facilities, delivers over 2 million vehicles annually, and works with more than 5,000 suppliers.¹

GM is focused on advancing toward a zero emissions future that is inclusive and accessible to all.² Battery Electric Vehicles (“BEVs”) are key enablers of our vision for a world with Zero Crashes, Zero Emissions, and Zero Congestion.³ GM regularly reports on sustainability metrics,⁴ and endeavors to track and report emissions inventory.⁵ GM has set science-based targets consistent with the goals of the Paris Agreement to support this vision.⁶

GM appreciates the opportunity to provide its insight as a BEV manufacturer to CARB’s Proposed Amendments to the Low Carbon Fuel Standard, particularly on aspects of the proposal related to EV charging. This proposal clearly signals CARB’s intention to further pursue reductions in carbon-based fuel impacts to the environment by incentivizing BEV deployment lower carbon intensity electricity. GM generally supports CARB’s proposed updates to the LCFS framework, with recommendations on specific aspects of the revised program.

GM supports CARB’s framework proposal to tighten carbon intensity stringency, adopt an acceleration mechanism and introduce a step down in stringency for 2025.

The LCFS program is among the most successful regulatory programs, delivering significant reductions in carbon intensity of fossil fuels and promoting adoption of lower carbon intensive transportation modes. As such, the market is oversupplied with credits, thereby reducing their value and potential to reinvest in California’s EV infrastructure development. CARB’s plan to increase stringency for the LCFS market will tighten market conditions, thereby bolstering the market and further decreasing carbon intensity in liquid fuels.

The proposed amendment to require a 30% reduction in carbon intensity benchmarks by 2030 is appropriate for market compliance conditions. Adding additional flexibility to the regulation with the adoption of a near-term step-down and an automatic acceleration mechanism will strengthen the LCFS market long-term. Using two credit market ratio signals as the triggers for the acceleration mechanism is appropriate to address the specific problem that the proposal is intended to address.

Credits generated from light-duty electric vehicles should be reinvested into the still developing light-duty electric vehicle market.

While California leads the US in EV sales having reached 25% market share, the EV transition is far from complete. Substantial progress is needed to meet CARB’s complementary regulatory

¹ <https://www.gm.com/company/usa-operations>

² <https://news.gm.com/company/about-us>

³ *Id.*

⁴ <https://www.gmsustainability.com/esg-resources-and-downloads.html>

⁵ <https://www.gmsustainability.com/data-center.html>

⁶ https://www.gmsustainability.com/_pdf/resources-and-downloads/GM_2021_SR.pdf (pages 11, 16-17)

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programs, which will require 51% ZEV sales in 2028 leading to 100% by 2035 under Advanced Clean Cars II. Infrastructure access for light-duty vehicles must be addressed to achieve EV market growth to meet regulatory and climate expectations. Funding generated from residential EV credit generation should be directed to the light-duty EV market by investing in infrastructure deployment, vehicle incentives and public education.

GM recommends that CARB reinstate Clean Fuel Rewards for light-duty EV adopters. Light-duty EV adopters represent the best opportunity for reducing carbon intensive transportation applications, including the harder to transition used vehicle market. Residential light-duty EV charging funds the Clean Fuel Reward program and this program is highly incentivizing to light-duty EV purchasers as it is available at the time of purchase as an “on the hood” incentive. It is paramount that the Clean Fuel Reward program is mechanized reliable for light-duty vehicle purchasers. We urge CARB to reconsider its proposal to allocate the Clean Fuel Reward to medium and heavy duty electric vehicles.

GM looks forward to reviewing details on CARB’s proposal to add third-party verification provisions to electricity transaction types.

GM recognizes and supports provisions designed to enhance integrity of regulatory programs, while streamlining regulatory compliance and costs. Based on CARB’s proposed regulatory text, CARB’s expectation for how third-party verification should be managed for metered residential EV charging are unclear.

In §95500(c)(1) Applicability, entities submitting Quarterly Fuel Transaction Reports are expected to obtain the services of an accredited verification body, including required site visits. It would be ideal to understand CARB’s expectations for a “site” under this verification requirement, as this definition could be widely interpreted as it pertains to residential EV credit generation and may require considerations to address consumer privacy protections. Finally, third-party verifiers for regulatory programs tend to slow market conditions due to limited accreditors, at least in the near term. We look forward to working with CARB to come to a practical solution for both parties to demonstrate validity of EV residential charging events for the final amendment update.

INCORPORATION BY REFERENCE

GM contributed to the development of comments through the Alliance for Automotive Innovation and provides its support for the positions established therein.

CONCLUSION

GM supports CARB’s proposed framework for the 2024 updates to the low carbon fuel standard. As a one of the key stakeholders in low carbon electricity within the LCFS program and its administration, GM would be glad to provide further support for any of the above topics and looks forward to continued collaboration on the development of the LCFS program.