

February 20, 2024

Rajinder Sahota
California Air Resources Board
1001 I St.
Sacramento, CA 95814

RE: SRECTrade Comments on Proposed Low Carbon Fuel Standard (LCFS) Amendments

Dear Ms. Sahota:

SRECTrade appreciates the opportunity to comment on the Proposed LCFS Amendments. SRECTrade is the largest aggregator of EV charging stations under the LCFS, helping the nation's leading EV charging networks, EV fleet operators, and others participate in and benefit from this valuable incentive program.

We appreciate your consideration of our comments:

1. **Increase the 2030 carbon intensity reduction targets to at least 40%.** SRECTrade supports the findings in the analysis conducted by ICF which indicated that a target above 40% target is achievable based on expected carbon intensity reductions.¹ LCFS has long been a powerful driver of low carbon fuels precisely because of the clear, consistent market signal it provides. However, the transportation fuel economy has outperformed expectations set during the last rulemaking in 2018. CARB now has an opportunity to challenge the entire sector yet again, and in doing so align with the ambitious goals set by the 2022 Scoping Plan.
2. **Modify the auto-acceleration mechanism (AAM) to be triggered in consecutive years.** The AAM will be a valuable tool to adjust carbon intensity targets to market conditions without the need of a rulemaking. The triggers for the AAM should be attuned to prevailing market conditions and not be unnecessarily restricted.
3. **Phase-in the implementation of forklift metering requirements to give fleet operators time to install metering solutions.** SRECTrade supports aligning reporting requirements for forklifts with other electricity applications and strongly encourages CARB to provide fleet operators at least one year to install metering solutions. During the one-year phase-in period, fleet operators should be able to continue to use the estimation methodology by demonstrating that they are in the process of installing metering solutions. SRECTrade also encourages CARB to consider a broad variety of reporting technologies for forklifts, including vehicle telematics.
4. **Grant verification bodies discretion to conduct site visits when verifying quarterly fuel transactions reports for EV charging.** SRECTrade is supportive of expanding the scope of third-party verification to include electricity transactions. However, site visits can be costly given the volume of charging stations and may provide little to no benefit to the

¹ ICF Resources, L.L.C. (2023). *Analyzing Future Low Carbon Fuel Targets in California*. Available [here](#).

verification of quarterly fuel transactions if the data collection process is centrally managed. SRECTrade recognizes that not all EV charging applications or underlying technologies are the same, therefore a verifier should be given the discretion to determine whether a site visit is necessary and be required to document the decision in the verification report.

5. **Remove the U.S. Commodity Futures Trading Commission registration requirement for Clearing Service Providers operating spot exchanges.** SRECTrade supports CARB's efforts to enable a robust cleared spot market for LCFS credits. Exchange-traded spot markets create transparent marketplaces with better price discovery and confidence with secured clearing and settlement. The current requirement that a Clearing Service Provider (CSP) maintain a derivative clearing organization license is prohibitive for operators of spot exchanges where no such licenses are required or relevant. The requirement should be removed or clarified so that it only applies to futures exchange operators.

Sincerely,

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About SRECTrade

SRECTrade provides management and transaction solutions for renewable energy and clean fuel programs across North America. SRECTrade's parent company, Xpansiv, provides market infrastructure to rapidly scale the world's energy transition. Xpansiv operates CBL, the largest spot exchange for environmental commodities, including carbon credits and renewable energy certificates.