



February 20, 2024

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

SUBMITTED ELECTRONICALLY TO: [www.arb.ca.gov/applications/public-comments](http://www.arb.ca.gov/applications/public-comments)

**Re: Proposed Low Carbon Fuel Standard ("LCFS") Amendments, Initial Statement of Reasons ("ISOR")**

Rivian Automotive, LLC, ("Rivian") appreciates the opportunity to submit comments on the ISOR for this critical rulemaking. The LCFS is a proven emissions reduction policy and a powerful enabler of transportation electrification. To date, it has served a key role in the state's portfolio of complementary climate policies. We believe it can and must continue to do so if the state wishes to achieve carbon neutrality.

Consistent with the direction provided through workshops and a Board update in 2023, the ISOR proposes to strengthen the LCFS targets and make valuable changes to the regulation's infrastructure crediting provisions. In general, Rivian supports these proposals—particularly a one-time 'stepdown' in the carbon intensity ("CI") target and implementation of an auto-acceleration mechanism ("AAM"). However, we find that even more stringent CI targets could be appropriate. The ISOR also introduces a novel concept for reforming the Clean Fuel Reward ("CFR"). Rivian has long advocated for a larger role for automakers in earning and investing a share of residential charging base credit revenue. CARB should still consider the benefits of such an approach even if it decides to move forward with the new CFR concept in parallel. That proposal is potentially promising, but the implementation details will matter a great deal. To maximize the impact of a new CFR for medium- and heavy-duty ("MHD") vehicles, medium-duty zero-emission vehicle ("ZEV") pickups must be eligible and the CFR's governance structure reformed to include MHD ZEV manufacturers.

## Keep the World Adventurous Forever

Founded in 2009, Rivian is an independent U.S. company headquartered in California. With over 16,000 employees across the globe, Rivian's mission is to Keep the World Adventurous Forever. Rivian's focus is the design, development, manufacture, and distribution of all-electric adventure vehicles, specifically pickups, sport utility vehicles ("SUVs"), and commercial vans. Key to the success of our mission, these vehicles will displace some of the most polluting conventional vehicles on the road today.

Rivian brought the first modern electric pickup to market in 2021 when we launched the R1T from our manufacturing facility in Normal, Illinois, followed shortly thereafter by the R1S SUV and the EDV commercial van for Amazon. The R1T and R1S—both medium-duty passenger vehicles ("MDPVs")—provide all-electric options in segments where added utility is a necessity. The R1T has an EPA-certified range of up to 410 miles. The R1S is certified at up to 400 miles. The truck also features 11,000lbs of towing capacity, while the R1S is a seven-passenger full-sized SUV. Both are well-equipped for off-roading

in a range of climates. Separately, our Class 2b and 3 commercial vans eliminate tailpipe emissions from last-mile delivery. Rivian is committed to producing 100,000 vans for our launch customer, Amazon, with more than 10,000 already in service in more than 800 U.S. cities. The van is now also available for purchase by other fleet customers in addition to Amazon. Beyond our vehicle lineup, Rivian is also building a network of public DC fast chargers across the country known as the Rivian Adventure Network (“RAN”). More than 14 RAN sites with 84 dispensers are already up and running in California alone.

## Rivian Welcomes the 2024 Rulemaking to Amend and Extend the LCFS

The LCFS is a keystone regulation in California’s portfolio of climate policies. As the 2022 Scoping Plan stated, the LCFS “is the primary mechanism for transforming California’s transportation fuel pool” in service of the state’s climate goals.<sup>1</sup> Indeed, as an electric vehicle manufacturer and charging provider, the LCFS is a priority for Rivian precisely because of the role it plays in speeding the transition toward renewable fuels in the transportation and electricity sector.

The transition toward renewable fuels is happening faster than the LCFS is currently designed for. Overcompliance with the policy’s CI targets has resulted in an overabundance of compliance credits in the market, pushing down prices. Low credit prices jeopardize the very market investments the LCFS relies on to achieve its goals. Amending and extending the policy to keep pace is crucial.

Rivian strongly supports a rulemaking this calendar year and key elements of the staff’s proposal, including the:

- **One-time stepdown.** Throughout the workshop process, Rivian called for a one-time stepdown in CI targets and we applaud the inclusion of just such a provision in the ISOR. We recommended an evaluation of several alternatives, including the 18.75 percent reduction in 2025 ultimately proposed in the ISOR. We anticipate the proposed adjustment will force a draw on the credit bank that could help rebalance the program. **CARB should finalize a one-time stepdown no later than 2025 and at least as stringent as the one proposed.** (The proposed adjustment to the 2010 baseline CI for ultra-low sulfur diesel would blunt the effect of the stepdown on diesel and might justify a more substantial one-time adjustment.)<sup>2</sup>
- **AAM.** As we and many other stakeholders have noted previously, overcompliance in the LCFS strongly suggests the need for an AAM. In 2022, for example, regulated entities exceeded California’s CI target by more than 2.6 percentage points.<sup>3</sup> We anticipate a similar level of overcompliance in 2023. Even with a stepdown and more stringent targets in place, in short order the LCFS could very well find itself right back where it is today, with the market consistently and significantly outpacing the policy’s CI targets resulting in a credit glut. Absent an automatic ratchet, a policy response would be years away due to regulatory development timelines. Therefore, the staff proposal for an AAM is encouraging. **CARB should approve an AAM as part of the LCFS amendments.**

---

<sup>1</sup> CARB, *2022 Scoping Plan for Achieving Carbon Neutrality*, 190.

<sup>2</sup> CARB, *Appendix A-1: Proposed Regulation Order, Proposed Amendments to the Low Carbon Fuel Standard Regulation*, Table 2, Footnote (a).

<sup>3</sup> CARB, *LCFS Data Dashboard*, available at [www.arb.ca.gov/resources/documents/lcfs-data-dashboard](http://www.arb.ca.gov/resources/documents/lcfs-data-dashboard).

Nonetheless, we believe the proposal would benefit from a reconsideration of more stringent CI targets. We offer comments on this and several other aspects of the ISOR below.

### Consider Greater Stringency

CARB should bring the LCFS up to date, reflecting conditions in the transportation sector and clean fuels industries that have changed substantially since even 2018 when the Board promulgated the last round of regulatory amendments. This includes exponential growth in the sale of electric vehicles. Increasing the ambition of the regulation’s CI targets should be a central pillar of the updates made in the current rulemaking.

Rivian views the staff’s proposal for a 30 percent reduction in CI by 2030 as a big step in the right direction. However, we find that **a 30 percent target in 2030 is the minimum level of stringency the Board should consider. The Board should take a closer look at targets greater than 30 percent.**

We recognize that CARB must balance many concerns in this rulemaking, but a reconsideration of the costs and benefits of a more stringent schedule of CI reductions is warranted for several reasons.

1. **Evidence from the credit market suggests deeper CI reductions are possible.** Following the ISOR’s publication, type 1 credit prices have fallen over 15 percent. According to CARB data, weekly average credit prices dropped week-over-week throughout the month following the ISOR’s release. While not conclusive, this is strongly suggestive of a market conviction that the currently proposed targets can be comfortably achieved.



**Chart 1.** Average weekly credit prices fell following the ISOR’s publication.<sup>4</sup>

2. **The ISOR’s analysis shows that the more stringent Alternative 2 would deliver cost-effective additional emissions and public health benefits.** Relative to the baseline, Alternative 2 reduces more greenhouse gas (“GHG”) emissions on an accelerated timeline and abates more NOx and PM2.5. In turn, the air quality improvements lead to a variety of public health benefits 11 percent more valuable, in dollar terms, than those delivered under the baseline proposal. Crucially, while

<sup>4</sup> Neste, *California Low Carbon Fuel Standard Credit Price*, available at [www.neste.com/investors/market-data/lcfs-fuel-standard-credit-price](http://www.neste.com/investors/market-data/lcfs-fuel-standard-credit-price).

regulated entities incur greater costs under Alternative 2, its GHG abatement cost—\$58/ton—compares favorably with the baseline proposal’s \$57/ton.<sup>5</sup>

Staff cite higher credit prices under Alternative 2 as a reason to reject it. Rivian acknowledges that higher credit prices necessarily raise compliance costs and could introduce greater pass-through costs to some extent for day-to-day consumers of fossil fuels. However, the ISOR itself estimates that the alternative delivers a valuable and cost-effective trade-off in terms of environmental and public health benefits. The LCFS is fundamentally an emissions reduction policy aimed at addressing climate change and air pollution. Cognizant of the rapidly worsening consequences of climate change and a persistent air quality crisis in the state, we believe CARB should take seriously the alternative that cost-effectively accelerates GHG reductions and maximizes air quality improvements in the shortest possible time.

Moreover, CARB should consider how the higher credit prices modeled under Alternative 2 would play in the full arc of the LCFS regulation and against the backdrop of California’s broader goals. By 2045, the ISOR proposes a CI reduction target of 90 percent, supporting the 2022 Scoping Plan objective of carbon neutrality and an 85 percent reduction in GHG emissions by the same year. Higher credit prices in the near term will call further investment in to the market today to support compliance with much more ambitious CI targets in the outyears. We believe this is a compelling reason to consider additional stringency in the pre-2030 timeframe.

- 3. It is unclear whether the modeling baseline accurately accounts for EV market growth.** In Rivian’s analysis of the ISOR and supporting documentation, we found it challenging to identify and validate with certainty the assumptions regarding future EV volumes—and therefore future consumption of electricity as a transportation fuel—that underpin the agency’s modeling. Underestimating future EV volumes would result in a conservative policy recommendation.

Rivian consulted the ISOR, the Standardized Regulatory Impact Assessment (“SRIA”), and the California Transportation Supply (“CATS”) Model technical documentation cited by the SRIA.<sup>6</sup> We did not find a downloadable data file plainly documenting the EV stock and electricity consumption estimates underpinning the modeling conducted to support the ISOR. We respectfully request that CARB furnish this information, providing stakeholders with an unambiguous understanding of the EV population and energy demand figures relied upon by the staff.

What the SRIA and CATS documentation do provide, however, are narrative descriptions of the key assumptions. Specifically, we understand that annual light-duty EV stocks follow the Scoping Plan’s

---

<sup>5</sup> CARB, *Staff Report: Initial Statement of Reasons* (December 19, 2023), available at [www.arb.ca.gov/sites/default/files/barcu/regact/2024/lcfs2024/isor.pdf](http://www.arb.ca.gov/sites/default/files/barcu/regact/2024/lcfs2024/isor.pdf).

<sup>6</sup> CARB, *Appendix C-1: Standardized Regulatory Impact Assessment (SRIA), Proposed Amendments to the Low Carbon Fuel Standard Regulation* (September 9, 2023), available at [www.arb.ca.gov/sites/default/files/barcu/regact/2024/lcfs2024/appc-1.pdf](http://www.arb.ca.gov/sites/default/files/barcu/regact/2024/lcfs2024/appc-1.pdf); CARB, *California Transportation Supply Model—Technical Documentation v0.2* (March 2023), available at [www.arb.ca.gov/sites/default/files/2023-03/CATS%20Technical%20v0.2.pdf](http://www.arb.ca.gov/sites/default/files/2023-03/CATS%20Technical%20v0.2.pdf).

Proposed Scenario while heavy-duty EV stock numbers reflect those in EMFAC2021 v.1.02.<sup>7</sup> However, this raises at least two issues for clarification by staff.

- EV stock estimates in the Scoping Plan’s Proposed Scenario do not reflect those found in other sources, including the dashboard maintained by the California Energy Commission (“CEC”). According to the CEC, EVs numbered approximately 1.1 million in California at the end of 2022, the last year for which CEC data are available.<sup>8</sup> Yet the Scoping Plan’s Proposed Scenario estimates just 738,428 EVs on the road that year.<sup>9</sup> Similar discrepancies exist between the CEC and the Scoping Plan’s Proposed Scenario for EV sales. To the extent that the Scoping Plan’s assumptions consistently understate or are behind the curve of the true pace of vehicle electrification in the California market, it will affect the modeling of CI reduction targets.
- To the best of our knowledge, EMFAC2021 does not incorporate expected compliance with the Advanced Clean Fleets (“ACF”) rule.<sup>10</sup> CARB promulgated ACF after finalization of EMFAC2021. Yet the SRIA states clearly that ACF is “represented in the baseline.”<sup>11</sup> The CATS documentation states that heavy-duty stock numbers, specifically, flow from EMFAC2021 but that the BEV-FCEV split mirrors the adjustment factors used in the ACF’s development.<sup>12</sup> Ultimately, we find the combined descriptions opaque and remain unsure of the MHD EV stock assumptions used in the ISOR. If staff modified EMFAC2021 or took other steps to account for ACF, the ISOR and supporting documentation should explicitly say so.

To clarify these issues, Rivian recommends that CARB publish its EV stock assumptions in a clear and digestible format for stakeholder review. At a minimum, publishing a clear database of model inputs aids transparency and would avoid confusion. An accurate, verifiable, and up-to-date picture of the on-road EV population in California is vital for developing an LCFS regulation that maximizes its potential.

---

<sup>7</sup> *Id.*, 6; CARB, *Appendix C-1: Standardized Regulatory Impact Assessment (SRIA), Proposed Amendments to the Low Carbon Fuel Standard Regulation* (September 9, 2023), SRIA-11.

<sup>8</sup> California Energy Commission, *Light-Duty Vehicle Population in California*, available at [www.energy.ca.gov/data-reports/energy-almanac/zero-emission-vehicle-and-infrastructure-statistics/light-duty-vehicle](http://www.energy.ca.gov/data-reports/energy-almanac/zero-emission-vehicle-and-infrastructure-statistics/light-duty-vehicle).

<sup>9</sup> Energy and Environmental Economics, California PATHWAYS Model Outputs (May 2, 2022), spreadsheet available at [www.arb.ca.gov/our-work/programs/ab-32-climate-change-scoping-plan/2022-scoping-plan-documents](http://www.arb.ca.gov/our-work/programs/ab-32-climate-change-scoping-plan/2022-scoping-plan-documents). In the Scoping Plan documentation, California reaches 1.1 million EVs on-road a year later in 2023.

<sup>10</sup> Other stakeholders appear to share this understanding, including consultancy ICF, per ICF Resources, *Analyzing Future Low Carbon Fuel Targets in California: Accelerated Decarbonization in California’s Transportation Fuels Sector* (September 2023), available at [www.static1.squarespace.com/static/5b57ab49f407b4a7ffa44ffa/t/65170a31c95f5b288d3074d0/1696008770133/230928+LCFC+re.+ICF+Analysis.pdf](http://www.static1.squarespace.com/static/5b57ab49f407b4a7ffa44ffa/t/65170a31c95f5b288d3074d0/1696008770133/230928+LCFC+re.+ICF+Analysis.pdf).

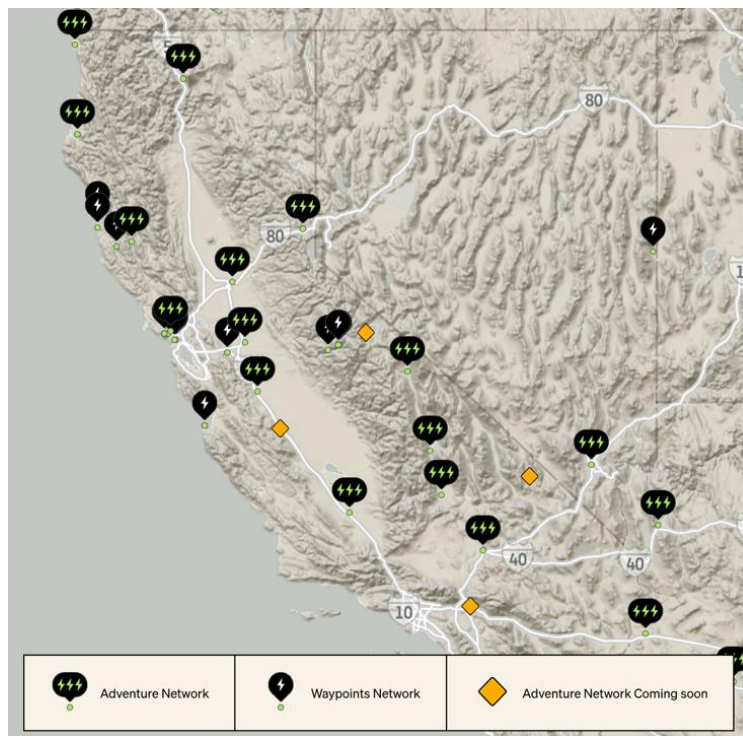
<sup>11</sup> CARB, *Appendix C-1: Standardized Regulatory Impact Assessment (SRIA), Proposed Amendments to the Low Carbon Fuel Standard Regulation* (September 9, 2023), SRIA-11.

<sup>12</sup> ICF Resources, *Analyzing Future Low Carbon Fuel Targets in California: Accelerated Decarbonization in California’s Transportation Fuels Sector* (September 2023), 6.

## Expand and Extend Fast-Charging Infrastructure (“FCI”) Pathway Credits

Rivian welcomes the qualified extension of light-duty (“LD”) FCI crediting in low-income, rural, or disadvantaged communities as well as the expansion of the FCI pathway to include medium- and heavy-duty (“MHD”) FCI at both public and private sites.

Public LD FCI projects merit continued regulatory support through the FCI pathway. Building public confidence in the availability of charging infrastructure remains a top priority, especially in low-income, rural, or disadvantaged communities. Rivian’s RAN product is intended to support EV adventure and exploration in every corner of the country. Coupled with our highly capable pickup and SUV offerings, serving rural communities with relatively lower utilization is aligned with the company’s mission and the purpose of our vehicles and charging product. We look forward to leveraging the FCI pathway to expand the footprint of RAN into high-need regions across California. We appreciate that the proposed regulation defines rural, low-income, and disadvantaged locations in an easily understood and implementable manner consistent with existing definitions found elsewhere in California law. This is crucial for smooth implementation by charging providers.



**Figure 1.** Rivian’s charging network is growing across California.

We urge CARB to reconsider the cap on credits in this pathway, currently proposed at 0.5 percent of deficits from the prior quarter. Deploying public chargers remains as important today as it is financially challenging—all the truer in high-need regions of the state. As the lack of charging infrastructure is often cited as the number 1 concern for prospective EV owners, this is not the time to cut back on regulatory

support for vital infrastructure.<sup>13</sup> **Rivian strongly recommends preserving the existing limit of 2.5 percent of deficits from the prior quarter.**

The expansion of the FCI pathway to MHD infrastructure is a welcome development that Rivian supported conceptually throughout the workshop process. Capacity-based crediting will bolster the business case for early deployment of MHD FCI investments, which in turn will build confidence in the viability of MHD EV products and drive their sale and use. Additionally, allowing private-facing fleet chargers to qualify is a crucial addition to the pathway, coming at a moment of accelerating efforts to electrify MHD fleets in compliance with ACF mandates. As the staff rightly acknowledge, installing private FCI for MHD EVs can be a challenging financial proposition and the possibility of earning credits via the MHD FCI pathway could complete the capital stack for important projects across the state.

### Establish a Pragmatic Approach to Third-Party Verification

The ISOR proposes to introduce third-party verification requirement for an expanded list of electricity credit pathways. This includes a proposed requirement that verifiers "annually visit each facility; and, if different from the fuel production facility, the central records location for which the records supporting an application or report subject to verification are submitted."<sup>14</sup> Notably, the proposed regulations only exempt unmetered residential EV charging implying that third-party verifiers must conduct site visits for metered residential charging.

We urge CARB to reconsider the proposals and establish pragmatic requirements that account for real-world implementation concerns. In this regard, we align ourselves with the recommendations of other stakeholders including 3Degrees and Bridge to Renewables.

- **Reduce the site visit burden for non-residential charging.** In the case of designated reporting entities or entities exceeding a reasonable registered FSE count threshold, require that verifiers need only visit the designated reporting entity's central location for recordkeeping and a reasonable sample of facilities. California is home to thousands of pieces of FSE. It is simply not feasible nor cost-effective to require regular visits to each. CARB could also consider alternative approaches, such as attestations for registered FSE like those required under Oregon's regulation.
- **Exempt metered residential charging from site visit requirements.** Site visits to residential locations would be impractical, raise privacy concerns, and incur costs—estimated by the staff at \$6/MWh—that would significantly erode the economics of the incremental credit pathway. The implications of potentially disincentivizing automaker generation of incremental credits include relatively more carbon-intense EV charging, diminished market pressure to accelerate the development of renewable electricity generation, and the potential loss of the best available data on residential EV charging, which CARB now uses to establish base credit volumes. We also note a fairness concern in that non-metered charging, used to generate far more lucrative base credits for utilities, are not subject to verification requirements. CARB should direct staff to revise the final

---

<sup>13</sup> Rob Schmitz and Camila Domonoske, *NPR*, "Major Sticking Point to Buying an Electric Vehicle is the Lack of Public Chargers," July 6, 2023, available at [www.npr.org/2023/07/06/1186154285/major-sticking-point-to-buying-an-electric-vehicle-is-the-lack-of-public-charger](https://www.npr.org/2023/07/06/1186154285/major-sticking-point-to-buying-an-electric-vehicle-is-the-lack-of-public-charger).

<sup>14</sup> 17 CCR §95501(b)(3)). Rivian acknowledges that the proposed regulation order includes a provision for "less intensive verifications" in certain circumstances. But even if utilized this does not eliminate the costly and infeasible burden of a site visit to each facility at least once every three years.

regulatory language in §95500(c)(1)(E)(1) to state, “EV Charging except as specified under 95491(d)(3)(A) and 95491(d)(3)(B)” (new text in italics). This would exempt both metered and non-metered residential charging from third-party verification.

### Align Low-CI Electricity Requirements with Other Clean Fuels Programs

CARB should make renewable energy certificates (“RECs”) supplied by generation assets in the entire Western Electricity Coordinating Council (WECC) footprint, and not just directly transmitted into the state, eligible to meet the requirements for low-CI electricity pathways. Broadening REC generation eligibility would incentivize the buildout of renewables where they can have a greater avoided emissions impact and harmonize with the rules governing similar pathways in the Oregon and Washington clean fuels regulations. Increasing the REC supply would also protect against the potentially unintended upward cost pressure we have already seen from limiting eligibility to only resources in-state or directly transmitted into the state. Inflated REC prices, coupled with a depressed LCFS credit price, could undermine participation in the low-CI electricity pathway. We believe a reconsideration of REC eligibility would strike a balance between supporting the development of impactful projects while protecting against the unintended consequences under the existing rules.

### Maximize the Impact of Residential Charging Base Credits

In previous comments, workshop input, and engagement with CARB, Rivian advocated consistently for a fresh approach to the use of revenue earned from residential EV charging base credits. We welcome staff and Board consideration of alternative structures and uses for base credit revenue.

**Rivian previously recommended regulatory amendments that allow for EV manufacturers to share in base credit generation.** Clean fuels policies are intended to be market-based systems that create incentive structures for private sector investments by the providers and users of clean transportation fuels. In the light-duty vehicle sector, the two most important market participants are vehicle manufacturers and their customers. Consistent with the core principles of the LCFS, the policy should encourage the participation of these market actors and reward them for making investments in EVs.

Rivian’s preferred approach would incentivize automakers to empirically substantiate its vehicles’ residential charging activity with telematics data by allowing manufacturers to earn base credits in return. **With a sufficiently large allocation of base credits, manufacturers whose vehicles generate credits (light-duty and medium-duty) could operate the Clean Fuel Reward (“CFR”) more efficiently and sustainably than under the utility-led framework.**<sup>15</sup> We were disappointed that the ISOR did not consider such a concept. With CARB’s decision to sunset the Clean Vehicle Rebate Project, the CFR would be the last universally available EV purchase incentive in the state—a key tool for sustaining the EV market’s growth into the mainstream of the consumer market.

The staff has instead proposed a significant revision to the allocation of base credits. The majority are now proposed to go to the ‘holdback’ pool, with the remaining credits supporting a reformulated CFR for MHD EVs (more on this below). If CARB finalizes this overall funding structure, **Rivian recommends that the**

---

<sup>15</sup> Rivian has previously submitted comments along these lines both individually and in partnership with shared-vision partners. See for example comments submitted by [Rivian](#) and in [coalition](#) with Audi, Tesla, and Bridge to Renewables.



**Board award a durable and significant share of holdback credits to automakers** on the condition that the revenues fund investments to advance transportation electrification and lower the total cost of EV ownership. These investments could include all or some of the following, with an appropriate carveout for administrative costs:

- Annual dividend checks returned to customers, paying out the value of charging credits.
- Rebates on home EVSE purchases.
- Public charging infrastructure deployment.
- Vehicle-grid integration (“VGI”) technology development and implementation.<sup>16</sup>

CARB could establish a ‘menu’ of investment options for automakers including several of the above categories, or others, to provide flexibility for participants. The regulation could prescribe additional detail. Automakers would report to the Board annually on their expenditures.

**In parallel, allocating remaining base credits to funding a CFR for qualified MHD EVs is potentially promising.** As a general proposition, Rivian strongly supports targeting additional incentive dollars at fleet buyers of MHD EVs. If the proposal to establish an MHD CFR can create a reliable and sustainable purchase incentive in place of the existing light-duty CFR, with its many challenges, it will be a welcome achievement.<sup>17</sup>

In recent years, CARB has rightly focused on abating emissions from the MHD sector, developing cutting-edge regulations including the Advanced Clean Trucks (“ACT”) and ACF rules that will help push the pace of electrification in the MHD fleet. Rivian strongly supported both ACT and ACF. However, ACF’s exemption for small fleets, coupled with their resource constraints and reduced appetite for risk, mean that regulators need to consider additional policy measures to spur the purchase of MHD EVs by those operators. Redirecting the CFR to incentivize small fleet purchases of MHD EVs is a potentially impactful change—albeit one that departs from the LCFS’ first principles by using LCFS credit revenue earned by one set of market participants to incentivize behavior by another.

An additional benefit of an MHD CFR is that it could steer some LCFS benefits to take-home fleets. The regulation’s current structure and flow of credits makes it impossible for owners of take-home fleet vehicles, such as medium-duty pickups and vans, to receive incentives under the policy. This is a major ‘blind spot’ of the LCFS and one that Rivian has highlighted in previous comments and engagement with CARB. Rivian continues to believe that allocating base credits to vehicle manufacturers would create the conditions for a more direct and efficient solution to this problem. However, to the extent that take-home fleet vehicles are disproportionately represented among the small fleets targeted by the MHD CFR, this proposal would use LCFS credit proceeds to benefit a population of vehicle owners and users that otherwise fall through the gaps of the policy.

---

<sup>16</sup> VGI enables customers to fully extract the value of their vehicle as a load management tool and grid asset and help reduce costs for all ratepayers.

<sup>17</sup> The existing light-duty CFR proved volatile and unreliable, with administrators cutting the rebate’s value and ultimately suspending the program entirely. Even if it were still active, the rebate as currently formulated excludes a growing lineup of EVs technically classified as medium-duty passenger vehicles that create significant credit value under the LCFS but exceed the light-duty vehicle definition used to define rebate-eligible vehicles.

If the Board elects to finalize the MHD CFR, Rivian stands ready to support implementation, beginning with careful consideration of the following key issues and concerns.

- **Clearly make medium-duty (“MD”) EV pickups eligible for the CFR.** MD pickups comprise approximately 60 percent of the MD truck and van market and those in turn account for the majority of all MHD vehicle sales.<sup>18</sup> Moreover, MD pickups are the workhorse of many fleets. A variety of EV pickup models now exist in the marketplace and can serve fleet needs. However, the state’s main MHD EV incentive program, HVIP, categorically excludes pickups from incentive support. To achieve the state’s targets for MHD electrification, EV pickups must receive the same policy support as other categories of MHD vehicles. CARB should direct that the full range of MHD EVs, including pickups when purchased by ACF-exempt fleets for fleet use, be eligible for the reformed CFR.
- **Tier rebates by vehicle class.** CARB should direct that the CFR provide rebates tiered by vehicle class—making the most of the available resources and reflecting the often-substantial difference in the purchase price of MHD vehicles.
- **Allow fleets to combine the CFR with other incentives, including HVIP vouchers.** To maximize the benefits and simplicity of the reformed CFR, it should be offered on the hood and by right to qualified fleet purchasers and made ‘stackable’ with other incentives, including HVIP vouchers. ‘Stack-ability’ is not just a matter of maximizing incentives for fleets, though that is a worthy objective in and of itself. It also provides certainty for fleets when budgeting for vehicle procurements, while streamlining program implementation for administrators who would not need to verify whether applicants have already applied for or received other incentives.
- **Invite MHD ZEV manufacturers to participate in the governance of the CFR in partnership with the utilities.** As Rivian understands the proposal, the new CFR would be administered by the utilities much like the existing light-duty CFR. Light-duty manufacturers have historically been included in the CFR’s governance structure in an advisory capacity. We recommend that the new CFR be guided by a collaboration between the utilities and MHD manufacturers. CARB should direct that a steering committee be formed comprising utilities and all major MHD ZEV manufacturers to collaborate on the details of the program’s design and implementation.

The Board should clearly signal its intent that the CFR operate in accordance with the above recommendations.

## Conclusion

Rivian welcomes the current rulemaking to revise and extend the LCFS. The LCFS is a powerful policy that, with the right reforms, can contribute even more to the state’s efforts to address climate change and electrify transportation. Moreover, urgent action is needed to match the policy’s CI reduction requirements with the real-world performance of the clean fuels market. Rivian recommends that CARB consider even greater stringency than proposed, implement an AAM, and finalize the FCI pathway amendments without a lower cap on credits in the LD FCI pathway. In addition, CARB should take a more pragmatic approach to third-party verification requirements for electricity crediting in both non-residential

---

<sup>18</sup> U.S. Environmental Protection Agency, *Multi-Pollutant Emissions Standards for Model Years 2027 and Later Light-Duty and Medium-Duty Vehicles: Draft Regulatory Impact Analysis* (April 2023), 3-10.

and metered residential contexts. Finally, Rivian reiterates the benefits of awarding automakers a share of residential base credits, whether in sufficient quantity to restore the existing CFR or to fund other investments in transportation electrification. If CARB decides to move forward with the reformed CFR for MHD EVs, we respectfully urge that MD pickups be eligible and MHD manufacturers be included in the program's advisory committee. As a manufacturer of MHD EVs, Rivian stands ready to support the design and implementation of an MHD CFR.

Rivian values this opportunity to provide feedback and is excited about the prospect of strengthening the LCFS. Thank you to the staff for all the hard work that goes into a rulemaking of this magnitude.

Please contact me with any questions about our comments. Rivian looks forward to the upcoming workshop and future Board hearing.

Sincerely,



Tom Van Heeke  
Senior Policy Advisor  
Rivian Automotive, LLC  
641-888-0035 | [tvanheeke@rivian.com](mailto:tvanheeke@rivian.com)