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**February 19, 2024**

Clerk of the Board  
California Air Resources Board (CARB)  
1001 I Street  
Sacramento, CA 95814

**RE: Staff Draft Proposal on the Low Carbon Fuel Standard: Silicon Valley Leadership Group Comments**

Dear Chair Randolph,

Thank you for the opportunity to comment on the staff draft proposal for the Low Carbon Fuel Standard (LCFS) rulemaking process.

Silicon Valley Leadership Group (SVLG), founded in 1978 by David Packard of Hewlett-Packard, represents hundreds of Silicon Valley's most respected employers on issues that affect the economic health and quality of life in Silicon Valley. Our membership includes many key players in this arena—from companies transitioning to electric vehicle (EV) fleets, to those producing zero-emission vehicles (ZEVs) and developing innovative new zero-emission technologies. At a high level, our organization believes CARB should employ flexible, market-based and technology-neutral policies that achieve maximum greenhouse gas (GHG) emissions reductions at the lowest cost.

We appreciate the Board and staff's diligence in drafting a thoughtful staff proposal for the Low Carbon Fuel Standard. However, we would urge a timely resolution to the rulemaking process to revitalize the LCFS credit market as soon as possible. Imbalances to the market caused by an overabundance of credits have tanked credit value, jeopardizing financing for clean energy projects and significantly diminishing the ability of the state to deploy zero-emission vehicles and charging infrastructure. This is no small problem for the state as regulators, advocates, and industry alike work to meet California's ambitious climate and air quality goals.

Our following comments reflect the changes SVLG would like to see made to the LCFS program.

**Adopting an Acceleration Mechanism**

SVLG thanks the Board and Staff for including an auto-acceleration mechanism to automatically increase carbon-intensity benchmarks when credit values fall too far and credits outnumber



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deficits. However, SVLG requests that the auto-acceleration mechanism and its triggers be implemented as soon as possible without delay. An implementation date of 2026 would sooner protect the health of the market and provide much-needed assurance to industry stakeholders on credit value.

### **Infrastructure Capacity Credits:**

SVLG appreciates the extension of infrastructure capacity crediting for light-duty vehicles (LDV). However, the reduction in available capacity credits for LDV fast charging infrastructure (FCI) from 2.5% to half a percent of deficits will significantly constrain the market opportunities for deploying LDV FCI. SVLG would encourage the Board to maintain the capacity crediting cap for LDV FCI at 2.5%, which reflects increasing demand for light-duty zero-emission vehicles (ZEVs) and the need for refueling capacity across the state.

Additionally, SVLG supports the inclusion of capacity credits for medium- and heavy-duty zero emission vehicle fueling within LCFS. This new incentive program will be groundbreaking for encouraging the deployment of infrastructure needed to serve clean trucking fleets throughout the state as companies comply with the Advanced Clean Fleets rulemaking.

### **Third Party Verification Requirements:**

SVLG is concerned that requiring site visits for third party verification of Fueling Supply Equipment for electricity pathways will pose an excessive and unnecessary burden on owners of both commercial and residential EV credit generators. EV charging infrastructure is both highly distributed by nature and subject to many state and federal standards ensuring accuracy. Quality data can already be provided remotely by EV service providers and through vehicle telematics. As California continues to develop a well-distributed and geographically diverse charging network, the challenge of conducting site visits will only grow. SVLG requests that the Board consider exempting electricity pathways from Fueling Supply Equipment site visits

### **Book-and-Claim Accounting for EV Charging: Parity between Energy Types**

SVLG appreciates the flexibility created by allowing the quantity of EV charging provided by low carbon intensity (CI) electricity to be reported through book-and-claim accounting. To achieve parity between energy types and further encourage EV charging in a wider variety of geographic areas, SVLG requests that the Board extend the ability to use book-and-claim accounting to



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allow biomethane and renewable natural gas to be used by offsite systems generating electricity for EV charging services as well.

### Obligating Jet Fuel

SVLG appreciates the Board's goal of reducing GHG emissions associated with air travel, and is supportive of increasing the production and use of sustainable aviation fuel (SAF). SAF is by far the most efficient alternative to jet fuel currently available, presenting an 80% reduction in lifecycle emissions in comparison. However, current in-state SAF production is insufficient to meet market need.

SVLG is concerned that obligating jet fuel under an LCFS pathway at this time would present enormous and excessive cost implications for all airlines and airports that operate in-state, without effectively supporting production of the tools and fuels needed to reduce emissions. In turn, these cost impacts would be felt by all consumers and businesses that rely on airline services for travel and commerce. SVLG encourages CARB to continue working with industry to instead develop an incentive-based framework to ramp up both production and use of SAF. This approach would be the most time-efficient and cost-effective way to support California's emission reduction goals without creating excessive costs impacts on consumers in and beyond California.

### Summarizing Thoughts

California leads the nation in light-duty ZEV adoption, surpassing our goals of selling 1.5 million electric vehicles and installing 10,000 fast chargers ahead of schedule. Thanks to the Advanced Clean Fleets regulation, zero-emission medium- and heavy-duty trucks are not far behind. While SVLG has been proud to support the state and our diverse membership in achieving these goals, much more progress needs to be made to further reduce the GHG emissions and air pollution associated with transportation.

A robust LCFS program is essential for building the infrastructure necessary to support ZEV deployment, and is critical for meeting the targets outlined in the Board's 2022 Scoping Plan. SVLG welcomes the opportunity to partner with CARB to support a thriving Low Carbon Fuel Standard. We look forward to working with you further.

Sincerely,



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