February 20, 2024

California Air Resources Board
1001 I Street
Sacramento, California 95814
Via electronic submittal

Re: Proposed Amendments to the Low Carbon Fuel Standard Expenditure Regulations

Dear Chair Randolph and Board Members:

As mission-aligned organizations focusing on economic and environmental justice in the clean energy transition, we appreciate the opportunity to provide comments on the proposed Low Carbon Fuel Standard amendments. Specifically, we would like to provide comments on the proposed changes to the expenditure regulations, related to the "allocation and uses of LCFS credits representing non-metered residential EV charging". We applaud CARB's significantly increased focus on equity investments in the proposed revisions, and also want to share a specific concern and specific recommendations for some of the details, to ensure these changes have the desired impacts to meet our collective transportation electrification goals.

First and foremost, we want to express our strong support for the major LCFS expenditure changes being proposed by CARB, specifically:

- **Changing the scope of the statewide Clean Fuel Reward from a light-duty rebate to a medium and heavy-duty rebate.** A recent study in Nature Sustainability has quantified what our communities have known for decades - that pollution and health impacts from medium and heavy duty transportation are primarily and disproportionately borne by low-income communities and communities of color.[1] Catalyzing medium and heavy-duty electrification will begin to reduce these harms, in addition to helping California meet its climate goals. The transition to zero-emission medium and heavy-duty transportation is essential to meeting air quality and climate standards; this transition is well behind the pace of the light-duty sector, so the proposed re-prioritizing of the CFR is appropriate.

- **Altering the minimum base credit contribution required to fund the Clean Fuel Reward from 60% of total base credits to 40% with a corresponding increase in holdback credits, and expanding the proportion of holdback credit proceeds required to be invested in disadvantaged, low-income, rural, and tribal communities.** Together these provisions

[1] https://www.nature.com/articles/s41893-023-01219-0 "*Air quality, health and equity implications of electrifying heavy-duty vehicles*"

represent a significant increase in the overall percentage of LCFS credit proceeds invested towards transportation equity investments for low-income households. This smart strategy will both help CARB meet its equity goals and its transportation electrification goals, by focusing investments on the light duty market segments that are least able to transition to EVs without additional assistance. Both the light-duty equity and medium-heavy-duty investments take on even more importance due to the Governor's proposed cuts in budgetary support for ZEV incentives.

- **Adding workforce development programming to the pre-approved projects eligible for funding of holdback equity credits.** We specifically want to express our support for the addition of "re-skilling and workforce development for transportation electrification and electric vehicle infrastructure applications" as a pre-approved project category. However we are also concerned about a proposed elimination of a critical pre-approved project category, as discussed below.

Secondly, we recommend rescinding and/or modifying some smaller proposed changes that propose to remove equity-focused outreach activities from the program regulations. Specifically:

- **CARB should retain and enhance the existing category of "Multilingual marketing, education, and outreach" within the list of pre-approved projects eligible for funding of holdback equity programs.** The Initial Statement of Reasons (ISOR) does not provide an explanation for why CARB is proposing to remove this category, and the proposed removal goes counter to the ISOR's stated goal of "***enhancing*** the pre-approved projects eligible for funding of holdback equity credits" (emphasis added).[2] Equity-focused community groups and stakeholders participating in CARB's Low Carbon Transportation Investments public work groups and convenings consistently are asking for ***greater*** investment in this area, and specifically investments that directly fund local community-based organizations who are trusted in priority communities and are best able to support Californians who have the most barriers to transitioning to EVs. We recommend that this category be retained in the revised regulations, and amended to explicitly pre-approve investments in outreach through funding provided to community-based organizations. ISOR doesn't explain why this is proposed to be removed, but if the concern relates to having electric utilities use holdback credit proceeds to fund their own internal work in this area, the language could be made specific to funding outreach via community based organizations that are based in and serve disadvantaged, low-income, rural, and tribal communities.

- **CARB should enhance the regulation's existing language regarding aligning holdback credit equity investments with the recommendations of CARB's SB 350 Low-Income Barriers Study.** CARB has been a leader in terms of operationalizing the recommendations of its SB 350 Low-Income Barriers Study[3], which represents the collective input and needs of a broad cross-section of equity stakeholders from EJ communities across the state around the barriers they see to adopting EVs and related technologies. These stakeholders invested

[2] ISOR, p. 36.
[3] https://ww2.arb.ca.gov/resources/documents/carb-barriers-report-final-guidance-document "*CARB Barriers Report: Final Guidance Document - Low-Income Barriers Study, Part B: Overcoming Barriers to Clean Transportation Access for Low-Income Residents*"

> substantial time, resources and wisdom to help CARB understand how to best ensure that all of our communities can access the benefits of EVs. We recommend that this language[4] be amended to ***explicitly*** state that EDUs must align their portfolios of holdback credit equity projects with the findings and six priority recommendations[5] of CARB's SB 350 Low-Income Barriers Study. CARB's proposed addition of workforce development as a pre-approved project category aligns well with recommendation #5, and retaining and enhancing the pre-approved outreach project category as recommended above aligns well with recommendations #2 and #3.

These smaller proposed changes, which mostly consist of retaining and refining existing regulatory language, will provide critical support to ensure that CARB's proposed broader shift towards equity investments is successful. As upper and middle income households increasingly have robust access to affordable EVs in a maturing market, we are now faced with the much greater challenge of supporting this transition for Californians with the lowest incomes and the most barriers to EV adoption. While CARB's proposed increased financial investment in equity programs here will help, these barriers are not just simply economic - they include cultural barriers, linguistic barriers, trust barriers, barriers related to peer validation, and more. By authorizing investments in multilingual outreach programs through trusted community-based organizations, and by ensuring that these broader investments are aligned with the findings and recommendations of CARB's SB 350 Low-Income Barriers Study, CARB can help ensure that we bring to bear the capacity and wisdom of our communities to ensure that every Californian has the support they need to transition to zero-emission mobility.

Thank you for your consideration.

Sincerely,

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[4] Proposed Regulation Order Appendix A-1, previously on p. 44 and now moved to p. 233.
[5] https://ww2.arb.ca.gov/sites/default/files/2018-08/sb350_final_guidance_document_022118.pdf, the six priority recommendations are on p. 15-17.