



February 20, 2024

Chair Lianne Randolph
Hon. Steven S. Cliff
Executive Officer
California Air Resources Board
1001 Street
Sacramento, CA 95812

Filed Electronically

RE: Sonoma Clean Power Authority Comments on Low Carbon Fuel Standard Proposed Amendments

Dear Chair Randolph and Executive Officer Cliff,

Sonoma Clean Power Authority (“SCP”) offers the following comments on the Proposed Amendments to the Low Carbon Fuel Standard (“LCFS”). SCP’s comments focus on Amendments that will affect electric vehicle charging. SCP is a community choice energy provider and is committed serving EV charging load with low-CI power. SCP’s comments are summarized as follows:

1. SCP Supports the proposal to classify Multi-family Residences as non-residential EV Charging for purposes of LCFS credit generation. This proposal will provide much-needed revenue to facilitate EV charging in this important customer segment and should be further expanded to apply to all multi-family residences, not just those with shared parking.
2. CARB should amend the Regulation to provide that all 100% RPS or zero-CI electricity tariffs are be able to generate LCFS credits without proving that Renewable Energy Credits (“RECs”) were not retired for the RPS.
3. CARB should clarify that amendments to the REC language in Section 95488.8(i) would not preclude the use of RECs to generate LCFS credits.

DISCUSSION

1. Community Choice Aggregators (“CCAs”), like SCP, Are Committed to Providing Carbon Free Energy to Supply EV Charging in Their Territories, Including Multi-Family Residences.

SCP is the community choice energy provider for Sonoma and Mendocino counties, apart from Ukiah and Healdsburg which have existing municipal utilities in their service territories. SCP’s service territory includes a population of about a half-million, with our energy demand split roughly in half between residential and non-residential customers. In downtown Santa Rosa, SCP operates the only Advanced Energy Center¹ in the United States dedicated to helping customers transition to 100% renewable energy for their homes, businesses, and cars. SCP is also the only power provider in California offering 100% renewable energy generated within our service territory twenty-four hours per day, every day of the year.

In addition to developing renewable and low-GHG resources, SCP offers an evolving suite of programs to help educate customers and unlock the benefits of a clean energy economy. Some of these programs include:

- **Free residential electric vehicle chargers:** SCP provides customers with an up-front discount of 50% on the cost of a Level 2 EV charger and an additional \$250 incentive if the customer activates and enrolls their charger in SCP’s demand response program, GridSavvy Rewards.² Since 2016, this program has supported the installation of 4,908 additional Electric Vehicle Supply Equipment (“EVSEs”) in our territory. In addition, through our participation in the California Electric Vehicle Infrastructure Project (“CALeVIP”),³ we have built another 103 publicly-available, Level 2 chargers, and 10 DC fast chargers. In 2024, SCP will consider revisions to the program to reach more low-income customers and underserved communities.
- **Non-profit electric vehicle incentives:** SCP offers reimbursement to non-profits to help them transition from gas-powered vehicles to clean EVs. SCP offers a \$15,000 incentive for EV passenger vehicles and a \$22,500 incentive for vehicles with payloads over 1,500 pounds (e.g., vans and trucks). To date, this program has supported the purchase of 19 electric vehicles by local non-profit organizations.

¹ Advanced Energy Center: <https://scpadvancedenergycenter.org/>.

² GridSavvy Rewards program: <https://sonomacleanpower.org/programs/gridsavvyrewards>.

³ CALeVIP provides funding for installing publicly available EV charging stations to support the rapid adoption of electric vehicles across California: <https://calevip.org/about-calevip>.

- **Drive EV:** From 2016 to 2019, SCP’s Drive EV Program enabled 1,258 customers to purchase electric vehicles at a collective discount of over \$14 million. By providing financial incentives and exchanging free marketing for participating EV dealers in exchange for dealer and manufacturer discounts, the program reduced the average EV sales price by over \$10,000 (from \$38,523 to \$27,759) *in addition* to any state or federal incentives.
- **Bike Electric:** Launched in 2021, SCP has supported its Bike Electric⁴ program to incentivize electric bike (“E-bike”) ridership by offering income-qualified customers a \$1,000 incentive toward the purchase of an E-bike to promote their use instead of car ridership for short trips. Since its inception, the program has provided incentives for 423 E-bike purchases. One of the lessons learned from our Bike Electric program is that many of the E-bikes purchased were being used for recreation (78% of respondents) or exercise (65%). Only 22% said they used their new E-bikes for commuting. SCP has set a goal to improve on those metrics by targeting local employers and providing grants for organizations that want to make electric bike commuting more accessible to their employees.

These programs have been designed to encourage EV usage throughout our diverse customer base. In particular, we have developed a suite of EV strategies that provide benefits to customers, but we have been limited in our ability reach customers that don’t own their residence. Multi-family residences represent a unique challenge because the residents are typically renters and do not make decisions about whether the residence will have EV charging capability. The Proposed Amendments would help facilitate access to EV charging in these situations by amending Section 95843(c). The Proposed Amendments would clarify that multi-family residences will be considered non-residential EV charging to the extent that charging equipment is not limited to serving dedicated or reserved parking spaces. SCP supports this clarification in the LCFS and if adopted by CARB, SCP will evaluate how it can use these incentives to continue to grow EV penetration in the SCP service territory. To better effectuate access by multi-family residents, this amendment should be expanded to include all multi-family residential charging and not limited to EVSEs installed in shared parking spaces.

2. CARB Should Broaden the Application of Green Tariff Programs and Clarify that that 100% RPS or Zero-CI electricity Tariffs are Eligible Even if Renewable Energy Credits (“RECs”) Are Not Retired.

Currently, the LCFS Regulation only allows a certain class of Green Tariff Shared Renewables Programs to be eligible for low-CI charging. The Regulation states that Green Tariff Shared Renewables include programs are described in Public Utilities Code Section 2831-2833. For all other sources of energy supplied to EV charging, the fuel provider must demonstrate that it retired RECs associated with the power and that the RECs were not used for the RPS or other programs. The narrow class of GTSR programs included in the aforementioned

⁴ Bike Electric Rider’s Guide: <https://sonomacleanpower.org/bike-electric>.

PUC code unfairly limits other voluntary renewable programs that may be similar in nature, but have not been expressly authorized by the CPUC. This limitation is arbitrary because it effectively precludes non-EDUs from qualifying for the GTSR provisions for no other reason than the fact that the entity is not an EDU subject to CPUC jurisdiction.

Since the adoption of the last amendments to the LCFS Regulation, there has been considerable growth of CCAs and 100% RPS or Zero-CI electricity retail offerings. RECs are used under these programs for RPS compliance, but that does not change the fact that the low-CI energy is still additional to low-CI energy, the offering has a CI that is lower than the grid-average, and often includes low-CI energy in excess of what is already required by the RPS. Forcing CCAs participating in the LCFS to choose whether to use their RECs for RPS or low-CI energy places an unfair burden on CCAs that does not further the fundamental objectives of the LCFS (i.e., achieving the maximum technologically feasible and cost-effective emission reductions). Moreover, this requirement is unnecessary in light of the fact that retail offerings by load serving entities are now subject to extensive, GHG-based reporting under the California Energy Commission's Power Source Disclosure program. Limiting GTSR programs to those governed by the CPUC unnecessarily restricts feasible emission reductions and arbitrarily discriminates against non-EDU LSEs. To address this issue, SCP recommends amending Section 95488.8(i) to remove the reference to Sections 2831-2833 of the Public Utilities Code.

3. CARB Should Clarify that Amendments to the REC Language in Section 95488.8(i) Would Not Preclude RPS Eligible Projects that Generate RECs.

The Proposed Amendments include changes to REC requirements in Section 95488.8(i)(1)(B)(3). The Proposed Amendments would remove the current language stating that RECs cannot be retired under any other program. The Proposed Amendments would provide that electricity cannot be "issued credits." Currently, entities claiming incremental EV charging rely on power generated by facilities that generate RECs for the entirety of the electricity delivered to the grid. Under existing LCFS rules, the Fuel Supplying Entity will use RECs and prove that the RECs were not used for the RPS by retiring the RECs to a WREGIS retirement account that is used solely for LCFS compliance. RECs can only be retired once and by retiring RECs to an LCFS-specific retirement account, this action proves that the RECs were not also used for the RPS.

Under the Proposed Amendments, electricity from a project that is "issued credits" would not be eligible. The introduction of the word "or" in this Section suggests that either generating RECs or retiring them in another program precludes RECs from being used in the LCFS. This reading would effectively preclude any RPS-eligible power plant from being used to supply incremental energy. RPS eligible resources generate RECs for all generation delivered to the grid. It is then up to the LSE to decide how to use the RECs (e.g., use them for the RPS or the LCFS). Limiting the generation of RECs in the first instance would preclude LSEs from participating in incremental EV charging. We do not believe this is CARB's intent, and would recommend retaining the existing language in Section 95488.8(i).

CONCLUSION

SCP appreciates the opportunity to submit written comments on the proposed amendments to the LCFS Program. We look forward to continuing to work with CARB to incentivize EV charging and low-CI power in SCP's territory and throughout the state.

Respectfully submitted,



Neal Reardon
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Sonoma Clean Power Authority