

BMW Group

February 17, 2024

Clerk's Office
California Air Resources Board
1001 I Street
Sacramento, California 95814

Subject: Low Carbon Fuel Standard – Incentives for Light Duty Vehicles, Base Credits and Verification Requirement EV Data

BMW of North America, LLC (hereafter BMW) is pleased to submit comments to the proposed amendments to the Low Carbon Fuels Program (LCFS) - Clean Fuels Reward Program. BMW values the partnership and shared goals we share with the state to grow the ZEV market, reduce carbon intensity in fuels and increase consumer awareness. Recently, BMW along with six other automakers, announced the launch of a new entity IONNA, to build out 30,000 high-powered EV chargers across North America. The goal is to make fast charging accessible, convenient, and reliable. BMW remains committed to invest in the ZEV market and to work cooperatively with all critical stakeholders.

BMW supports the comments of Auto Innovators. BMW is a longtime supporter of the LCFS program and believe that consumer incentives are still necessary to grow the light-duty market. We urge CARB to reconsider the current amendment that will direct critical incentives away from light-duty vehicles to medium and heavy-duty vehicles. The market is in a critical phase as we transition consumers to electric vehicles and look ahead to meet the state's ZEV goals and greenhouse gas targets. While California is leading the nation in the ZEV market, more is needed. Consumer education, investment in infrastructure, and consumer incentives will remain key drivers to transition California's fleet.

Base Credits

We believe that CARB should allocate part of the base residential credits from EV charging to automakers. OEMs are uniquely positioned to use this revenue to provide benefits in support of EV adoption. OEMs can move fast to execute programs, increasing the benefits from this spending. Splitting this revenue between OEMs and IOUs will provide new opportunities for collaborating between the two industries, unlocking opportunities for the electric vehicle space. This is particularly important now, as both industries are exploring how to accelerate the adoption of smart charging, public infrastructure development, and bidirectional charging.

Verification Requirement for EV Charging Data:

CARB proposes adding third-party verification requirements for electric vehicle charging data used to generate incremental LCFS credits. We ask that CARB implement simple verification requirement that are cost-efficient for voluntary credit generators. The data provided by these voluntary credit generators is valuable to CARB and utilities, as it is used to determine the amount of base credits that are generated. Costly verification requirements may disincentivize participation by EV charging entities, which would deny CARB and the utilities of vehicle data important to the LCFS program. As this data is beneficial to utilities for the generation of base credits, the cost of verification should be shared with utilities. Additionally, we ask that CARB consider how



verification processes can be implemented such that does not involve the use of personally-identifiable data.

Participation from Small Dairy Farms

BMW has partnered with dairy farmers as part of our participation in the LCFS program. Dairy farms can generate renewable energy through the application of biodigesters, which generate renewable by capture methane emissions from cow manure at these farms. Not only do biodigester systems create renewable energy, but they also reduce methane emissions that would otherwise occur at the farm, resulting in substantial carbon emission reduction opportunities.

Through our work with multiple dairy farms of different sizes, we have come to recognize that the current LCFS program rules significantly disadvantage small dairy farms. The LCFS rules require complex verification and data reporting requirements that are not financially feasible for small dairy farms, given relatively small energy generation for these projects. In order to support the participation of small dairy farms, we recommend that CARB make the following rule changes specific for dairy farms with biodigester systems under 150 KW:

- **Simplified Lookup Table for small biodigesters.** For small facilities looking for a simple way to participate in the LCFS, CARB could offer a Lookup Table Pathway option, with a fixed CI score set at the lower of the score of the highest currently approved dairy manure to electricity fuel pathway in the program. After ensuring that facilities meet minimum eligibility criteria, projects would then be able to be approved for immediate participation into the program. Projects that want to pursue a higher score would have the option of going through the full verification process, allowing CARB to evaluate the efficiency of projects that claim larger emission reductions.
- **Eliminate 3rd Party Verification requirements.** The requirement to have a Third-Party Verifier review the annual fuel reports represents a significant cost for small biodigesters and prohibits the participation of more small dairies, limiting LCFS to only the largest biodigesters. Eliminating this requirement will allow more small farms to participate in the program.
- **Simplify the Annual reporting requirements.** Reducing the data requirements for small farms would eliminate a substantial cost barrier facing small farms.

Thank you for considering BMW NA's comments during this rulemaking. We look forward to working with CARB staff and board members. Please feel free to reach out with any questions you may have.

Sincerely,



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BMW of North America, LLC

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IONNA

IONNA is a limited liability company formed by BMW, GM, Honda, Hyundai, Kia, Mercedes-Benz and Stellantis. By the close of this decade, IONNA aims to become a leading force in providing convenient, accessible, and reliable North-American fast-charging infrastructure to significantly enhance the appeal of zero-emission driving for millions of customers.

