



November 15th, 2019 | Submitted electronically

Mary Nichols
Chair, California Air Resources Board
1001 I Street
Sacramento, CA 95812

Re: 2019 Proposed Amendments to the Low Carbon Fuel Standard Regulation

Dear Chair Nichols and Board Members,

Thank you for the opportunity to comment on amendments to the Low Carbon Fuel Standard (LCFS). We support the proposed amendments, which will strengthen the cost containment provisions of the LCFS and increase funds available to reduce GHG and criteria pollutants in disadvantaged communities

The proposal to allow the California Air Resources Board (CARB) to issue advance credits in the event of a shortfall at the credit clearance market is a sensible alternative to allowing obligated parties to bank deficits. Allowing all obligated parties to fully satisfy their obligations each year should resolve any concerns that obligated parties might be unwilling to carry deficits on their books, which could render the cost containment mechanism less than fully effective. It was not clear that the cost containment provision was inadequate in its current form but removing any uncertainty on this point will strengthen the program. Given the guidance in Board Resolution 18-34 we support the implementation of this change.

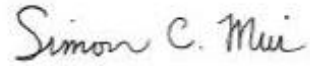
In feedback to materials presented at an earlier workshop, we argued against using credit value from advance credits to focus on disadvantaged communities, since this would not be a reliable source of support for disadvantaged communities and would lead to different rules for different classes of otherwise equivalent credits. The proposed amendment remedies these concerns by providing a more significant and reliable source of support for disadvantaged communities, and treating all credits the same, whether issued through the normal process or the cost containment provision.

We also support the proposal to require at least 50 percent of utility holdback credits be used to support GHG and criteria pollutant reductions in disadvantaged communities. This approach complements the Clean Fuel Reward program's point of sale rebates. Rebates are important to ensure new car buyers have affordable EV options, but not all Californians purchase new cars. This requirement will ensure that the benefits of electrification accrue to communities most burdened by vehicle pollution.

Sincerely,

A handwritten signature in black ink, appearing to read 'J. Martin'.

Jeremy Martin, Ph.D.
Director of Fuels Policy, Senior Scientist
Clean Transportation Program
Union of Concerned Scientists

A handwritten signature in black ink, appearing to read 'Simon C. Mui'.

Simon Mui, Ph.D.
Deputy Director,
Clean Vehicles and Fuels Group
Natural Resources Defense Council