

September 19, 2022

Cheryl Laskowski
Chief, Transportation Fuels Branch, Strategies Division
California Air Resources Board

RE: August 18, 2022 LCFS Pre-Rulemaking Workshop

Dear Ms. Laskowski,

SRECTrade respectfully submits the following comments in response to topics presented by CARB at the August 18, 2022 LCFS pre-rulemaking workshop:

Expanding Verification to EV and FCV Transactions

SRECTrade is supportive of expanding verification requirements to additional transaction types including EV charging and FCV fueling. Harmonizing verification across the LCFS will result in greater data accuracy, accountability, and confidence in program outcomes which in turn encourages and facilitates greater participation with scale and sophistication across the ecosystem. SRECTrade encourages CARB staff to consider the following when adapting current requirements to these new transaction types:

Limit Site Visits

EV charging is unique among transaction types in that fuel data is aggregated across thousands of charging station sites are dispersed geographically as well as in ownership and control, thus reducing the materiality of any individual charging station. It is increasingly the case, however, that charging stations are networked which enables remote data gathering. Requiring verifiers to visit even a small sample of sites in person would be costly in time and money, while providing limited benefit and depressing the economic case for continued deployment of charging stations. CARB staff can limit or eliminate the need to physically visit individual charging stations by:

- Define a “site” as “the centralized data management system used to manipulate, aggregate, and store data,” and
- Require physical visits to charging stations only when there is a high risk of misreporting or remote evidence gathering will not reliably collect needed data

Apply Exemption Threshold To Designating Entities

Should the existing exemption threshold of 6,000 credits per year be extended to additional transaction types, the exemption threshold should be applied to the quantity of credits produced by any designating entity, not the aggregated quantity of credits generated by a designated entity generating credits on their behalf. Aggregators can reduce participation costs and enable participation for small credit generators while improving compliance with rules and program outcomes. Such generators should not lose their exemption simply because they’ve chosen to work with an aggregator.

Streamlining the Verification Process

To ensure the benefits of verification are optimized for time and cost, SRECTrade suggests the following practices:

- Permit reporting entities to develop a single verification monitoring plan for all transaction types to facilitate and encourage investment in ever more sophisticated capabilities.
- Permit reporting entities to work with the same accredited verification body for all transaction types, to enable a more complete and connected evaluation of the efficacy of capabilities being verified
- Permit a verification body to submit a single verification report for all fuel transaction types associated with a reporting entity, improving operational and cost efficiency while providing greater insights to the verified entity and regulator.

Develop an API to Further Streamline and Enhance LCFS Verification

SRECTrade strongly encourages CARB staff to consider making improvements to the LCFS Data Management Systems, specifically by implementing an application programming interface (API) to enable third-party software integration for the LRT-CBTS and AFP. This feature would allow reporting entities and verification bodies to develop software tools to reduce and identify misreporting while streamlining reporting data transfer and evaluation. APIs would optimize the reporting process and reduce costs, while improving data accuracy and reliability under the program.

SRECTrade appreciates the opportunity to provide feedback on potential changes to the LCFS and welcomes continued engagement with CARB staff.

Sincerely,



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