



August 27, 2024

Rajinder Sahota
California Air Resources Board (CARB)
1001 I Street
Sacramento, California 95814

RE: Electrify America comments on Proposed 15-Day Changes to the Proposed Low Carbon Fuel Standard (LCFS) Amendments

Dear Ms. Sahota:

Electrify America is grateful for the opportunity to provide feedback on the newly proposed 15-Day Changes to proposed amendments to the LCFS regulations. Electrify America is the nation's largest open network of DC fast chargers for electric vehicles (EVs), with over 4,250 fast chargers across more than 950 locations in North America, and over 1,100 chargers across more than 250 locations open to the public in California.

We strongly support the LCFS, which is critical to advancing development of electric vehicle (EV) charging infrastructure and the state's transportation electrification goals, and we appreciate the efforts of CARB staff to engage stakeholders and strengthen the program to ensure its ongoing durability. While we believe a stronger 2030 carbon intensity target and more responsive auto acceleration mechanism (AAM) are necessary to achieve the state's 2030 targets identified in the 2020 Scoping Plan,¹ we strongly support a step-down in stringency of at least 9% and the inclusion of the AAM as a new feature of the program. We also support the proposed amendments related to fast charging infrastructure (FCI) crediting. We request minor additional changes to the proposed verification requirements for EV charging to better align practical implementation considerations.

Proposed step down of at least 9% is crucial to address credit oversupply

We appreciate CARB's willingness to re-evaluate the step-down percentage in the 15-Day Changes. While we support the ICF analysis suggesting that a step-down of 10.5-11.5% is needed to achieve a targeted credit bank of 2-3x quarterly deficits,² a 9% step down will nonetheless narrow the accumulated credit bank and support ongoing investment in EV charging and other low carbon fuels under the program.

¹ See Electrify America's previous comments on LCFS amendments, for example here: <https://www.arb.ca.gov/lists/com-attach/6868-lcfs2024-UTRUPIA0V2dXJQI7.pdf>

² <https://www.arb.ca.gov/lists/com-attach/7078-lcfs2024-VDVcNFlyVGsLdFQu.pdf>

The auto acceleration mechanism should be more responsive to market conditions

The auto acceleration mechanism (AAM) is an important new element of the LCFS program that complements existing cost containment features and will provide greater ongoing market certainty to support ongoing investment in clean fuels and ZEV infrastructure for California. We strongly support its inclusion in the Proposed Amendments.

However, in its current form, the first year the ratchet mechanism could be implemented would not be until 2028. This would greatly limit its potential to stabilize near-term market conditions and support achievement of carbon intensity outcomes in 2030 that will likely be necessary to achieve Scoping Plan objectives.³ The AAM is conservatively designed to only trigger when market conditions warrant and there is both a significant, and growing, credit bank. Accordingly, the AAM should be allowed to take effect based on end-2025 market conditions, with a May 2026 mechanism announcement to take effect with the 2027 compliance year. This would allow issues of credit oversupply to be corrected as soon as necessary, while by design, the AAM would not take effect unless it is needed.

Electrify America believes a more responsive AAM will help maximize the potential of this new element of the program. We recommend applying the AAM one year earlier, with accelerated targets taking effect if needed in 2027, which would allow the mechanism to adjust program stringency more proactively in response to near-term market developments, without creating undue risk to the credit bank and the LCFS program as a whole. Especially if the step-down remains below 10.5-11.5%, which ICF has identified as necessary to return the credit bank to levels below those in the AAM trigger, a more responsive AAM will help ensure ongoing health of the program. We also encourage changes to allow the AAM to apply in consecutive years, should it be appropriate given the dual trigger.

The verification process should reflect the distinct differences between EV charging stations and other fuel pathways

Electrify America understands CARB's need to validate and verify that fuel pathway holders are operating in line with LCFS regulations. We support efforts to ensure accurate and transparent data sharing and have implemented robust data verification procedures internally to ensure accuracy of reported data. However, we have concern that the language in §95501(b)(3) pertaining to site visits has not been sufficiently updated to address the EV charging use case.

The regulation's stated goals of verification site visits—such as interviewing personnel and examining data management practices—are sensible in the context of biofuel production facilities. However, unlike biofuel plants or refineries, EV charging stations are typically unstaffed facilities where the actual data validation and accounting practices do not occur. Therefore, verifiers would gain little value from on-site visits, and would not be able to accomplish many of the regulation's verification requirements, as there would be no personnel

³ <https://www.arb.ca.gov/lists/com-attach/132-lcfs-wkshp-nov22-ws-VDFWMQNdV2cEbVQ5.pdf>

on site to interview nor data management systems to inspect. Additionally, CARB should strive to ensure that any on-site verification procedures do not duplicate or overlap with measurement requirements that already exist under California Department of Food and Agriculture's Division of Measurement Standards regulations.⁴

Electrify America recommends CARB establish a separate verification process that minimizes or eliminates the site visit requirement for electric vehicle service providers (EVSPs). A verification approach focused on data checks and desktop review would better accommodate the operational realities of the charging station model, while still effectively verifying the fuel dispensed at the charger level. Verification processes may include phone or video interviews with relevant EVSP staff, as they would not be present at individual charging stations. This modified EVSP verification approach would uphold the integrity of the LCFS program and prove more cost-effective for CARB and program participants.

Our continued support of the LCFS program and the transparent stakeholder process

Electrify America appreciates the opportunity to provide comments on CARB's latest proposal for the Low Carbon Fuel Standard (LCFS) program. We believe the proposed changes represent a meaningful step towards cleaning up California's transportation sector and supporting the EV transition. However, we do hope CARB will consider minor additional changes, including advancing the AAM trigger date by a year and revisiting site visit requirements around EV charging stations.

Electrify America remains committed to partnering with CARB through the LCFS amendment process to advance California's clean transportation and climate priorities. We welcome the chance to discuss our feedback and recommendations further. Please don't hesitate to reach out if you have any questions.

Sincerely,

/s/

Rhiannon Davis
Director of Government Affairs
Electrify America, LLC

⁴ https://www.cdfa.ca.gov/dms/pdfs/regulations/EVSE-OAL_EndorsedLetter-and-FinalText.pdf