

August 27, 2024

Chair Liane M. Randolph
California Air Resources Board
1001 I Street
Sacramento, CA 95815

Comments of Powering America’s Commercial Transportation (“PACT”) on the Proposed Amendments to the Low Carbon Fuel Standard

Chair Randolph:

Powering America’s Commercial Transportation (“PACT”) appreciates the opportunity to provide comments in response to the California Air Resources Board (“CARB”) proposed 15-day changes to the Low Carbon Fuel Standard (“LCFS”) program, published August 12, 2024.

PACT stands ready to work with CARB and its sister agencies to support the industry in achieving the State’s Advanced Clean Trucks (“ACT”) and Advanced Clean Fleets (“ACF”) goals, through the accelerated rollout of M/HD fleets and its attendant infrastructure.

I. Introduction

PACT is encouraged to see CARB’s focus on medium- and heavy-duty (“M/HD”) charging, and its recognition of the unique nature of power, location, and site design of such charging stations. PACT strongly supports the creation of the MHD-FCI program and appreciates that the amended language reflects proposed changes that will serve to strengthen the program.

II. About PACT

PACT is a coalition dedicated to accelerating the development and deployment of reliable nationwide charging infrastructure for medium- and heavy-duty zero emission vehicles (“M/HD ZEVs”).¹ Our membership comprises stakeholders across the transportation electrification ecosystem, including leading truck manufacturers, charging infrastructure technology providers and developers, commercial fleets, fleet management companies, and utilities.² PACT is

¹ M/HD defined as...

² PACT membership comprises ABB E-mobility, Alpitronic, Amazon, BC Hydro, Burns & McDonnell, Chateau Energy Solutions, Daimler Truck North America, EV Realty, Forum Mobility, Geotab, Greenlane, InCharge, InductEV, J.B. Hunt Transport, Inc., Mortensen, Navistar Inc., Penske, Pilot Flying J, PittOhio, Prologis, Voltera, WattEV, Volvo Group North America, and Zeem Solutions.

committed to promoting productive cross-sector collaboration to advance policies and regulations that improve access to and reduce barriers for M/HD charging infrastructure.

PACT is engaged in multiple regulatory settings that have touchpoints to this LCFS rulemaking.

PACT's regulatory engagement includes:

- Party status to the California Public Utilities Commission ("CPUC") proceeding on the Rulemaking Regarding Transportation Electrification Policy and Infrastructure³ through which PACT submitted reply comments.⁴ Notably, utilities are responsible for implementing LCFS holdback credit programs which are the dual jurisdiction of CARB and the CPUC. PACT is exploring opportunities to provide LCFS strategy recommendations within this rulemaking, and envisions opportunities to further explore M/HD infrastructure investments.
- Party status to the CPUC proceeding on the Rulemaking to Establish Energization Timelines,⁵ through which PACT submitted opening and reply comments to the rulemaking,^{6,7} and opening comments⁸ on the Scoping Memo.⁹ PACT will also be submitting comments to the Proposed Decision to demonstrate continued engagement.¹⁰ Moreover, PACT is evaluating further engagement with state agencies, including with the California Energy Commission, on issues such as EV charging reliability and interoperability, as well as data collection (e.g., capacity mapping).

III. Summary of PACT's Comments on Proposed 45-Day Changes

PACT submitted comments during the 45-day period, encouraging CARB to improve the MHD-FCI provision of the LCFS program and maximize the potential benefits by:

³ Order Instituting Rulemaking Regarding Transportation Electrification Policy and Infrastructure (R. 23-12-008) Issued Dec. 20, 2023.

⁴ Reply Comments of PACT on Order Instituting Rulemaking Regarding Transportation Electrification Policy and Infrastructure (Served and Filed Feb. 5, 2024)

<https://docs.cpuc.ca.gov/PublishedDocs/Efile/G000/M524/K929/524929719.PDF>

⁵ Order Instituting Rulemaking to Establish Energization Timelines (R. 24-01-18) Issued Jan. 25, 2024.

⁶ Opening Comments of PACT Order Instituting Rulemaking to Establish Energization Timelines (Served and Filed Feb 20, 2024) <https://docs.cpuc.ca.gov/PublishedDocs/Efile/G000/M525/K574/525574167.PDF>

⁷ Reply comments of Powering Americas Commercial Transportation on Order Instituting Rulemaking to Establish Energization Timelines (Served and Filed Mar. 1, 2024)

<https://docs.cpuc.ca.gov/PublishedDocs/Efile/G000/M526/K553/526553989.PDF>

⁸ Opening Comments of PACT on the Assigned Commissioner's Scoping Memo and Ruling in the Order Instituting (Served and Filed May 3, 2024) <https://efile.cpuc.ca.gov/FPSS/0000206073/1.pdf>

⁹ Assigned Commissioner's Scoping Memo and Ruling (R. 24-01-19) Filed Mar. 28, 2024.

¹⁰ Proposed Decision Establishing Target Energization Time Periods and Procedure for Customers to Report Energization Delays (R. 24-01-18) Issued Aug. 12 2024.

<https://docs.cpuc.ca.gov/PublishedDocs/Efile/G000/M537/K633/537633346.PDF>

- ***Increasing the overall size of the MHD-FCI program.*** PACT recommended that the program be adjusted to increase the cap from 2.5% of previous quarter deficits to a minimum of 5% of previous quarter deficits and to provide equal treatment for public and private charging infrastructure.
- ***Expanding opportunities for utilities to use holdback credits for M/HD investments.*** PACT supported the staff proposal to expand LCFS rebates for drayage vehicles to include other M/HD or off-road vehicles and investments in grid-side distribution infrastructure and the staff proposal to require that at least 75% of such credits be invested in transportation electrification.
- ***Eliminating the geographical restrictions for crediting eligibility.*** PACT recommended that the 1-mile requirement be removed from the MHD-FCI program. PACT noted that should the Board find this proposal unacceptable, adjusting the requirement to 5 miles would be sufficient.
- ***Eliminating the FSE cap.*** PACT recommended eliminating the 10 FSE-per site cap in order to promote market flexibility and innovation.
- ***Adjusting the minimum nameplate power rating.*** PACT recommended removing the minimum nameplate rating to promote market flexibility and better align with existing and future business operations. PACT noted that should the Board find this proposal unacceptable, lowering the minimum requirement to 150 kW would be sufficient.

IV. Comments on Proposed 15-Day Changes

PACT appreciates that CARB has duly considered and incorporated several of the adjustments proposed in our 45-day comments, specifically:

- ***Adjusting the geographical restrictions for crediting eligibility.*** PACT appreciates CARB's decision to adjust the distance requirement for HD-FCI sites. PACT is receptive to CARB's rationale that a distance of five miles from an FHWA Alternative Fuel Corridor for shared sites is relevant to the service these sites are intended to provide and that this is an adequate distance to ensure availability of utility services to sites while still supporting the HD EV charging network. Further, PACT appreciates CARB's decision to limit the distance requirement to shared HD-FCI thereby awarding developers and fleets the flexibility to select locations that accommodate their unique business needs
- ***Eliminating the FSE cap.*** PACT is pleased to see that CARB has eliminated the 10 FSE-per site cap. This adjustment will promote market flexibility and innovation.
- ***Adjusting the minimum nameplate power rating.*** PACT appreciates the adjustments that CARB has made regarding power requirements. Specifically, PACT supports CARB's decision to remove the limitation on the number of chargers and supplement that with a site-wide power cap. PACT supports the increase to 40 MW total power per-site and the flexibility for applicants to use a smaller FCI power rating than the power capacity for pathway calculation to include more chargers in the program. These amendments will

ensure, as CARB notes, that HD-FCI is incentivized across many sites and that individual sites can be designed in a manner that reflects the needs of the customer(s) they are built for or anticipate serving.

- ***Updated definition of “rural.”*** PACT supports CARB’s adjusted definition of “rural.” While the updated definition does not reflect the specific changes presented by CalETC and endorsed by PACT,^{11, 12} this revised definition is improved from the language that was originally proposed. PACT reiterates that this revised definition will create more opportunities for potential equity benefits as M/HD ZEVs operate in a variety of communities—not just urban areas—depending on the vehicle use case. In addition to potentially building a stronger alignment with the state’s overarching disadvantaged communities policies, this broader definition of “rural” may provide more “territorial” flexibility to the Electrical Distribution Utilities (“EDUs”) to use holdback credits (to invest in, for example, grid-side distribution infrastructure for M/HD ZEVs) in the areas where the EDUs anticipate the potential for the greatest equity impact.

PACT continues to support CARB’s decisions regarding holdback credits investments in M/HD ZEVs. This expanded list will encourage wider and more diverse utility investments in the transportation electrification sector. With respect to M/HD fleets and infrastructure, PACT continues to support the staff proposal to expand LCFS rebates for drayage vehicles to include other M/HD or off-road vehicles and investments in grid-side distribution infrastructure. PACT also continues to support the staff proposal to require that at least 75% of such credits be invested in transportation electrification.

PACT strongly supports several of the updates CARB is proposing in this 15-day comment period, and appreciates the responsiveness to PACT’s comments.

PACT continues to encourage CARB to consider increasing the overall size for the HD-FCI program. Specifically, PACT continues to encourage CARB to consider increasing the HD-FCI program cap from 2.5% of previous quarter deficits to a minimum of 5% of previous quarter deficits.¹³ As noted by the Joint MHD EV Infrastructure Parties, the 2.5% cap would not support the modest load projection of 2,900 MW of M/HD charging estimated by 2025. To meet California’s ambitious targets, fleets and FSE providers will need certainty that the available incentives will adequately scale to support the deployment of sufficient infrastructure. Increasing the cap will act as a means to further incentivize the buildout of infrastructure needed to support future M/HD ZEV adoption.

¹¹ CalETC, SUPPORT Proposed Amendments to the Low Carbon Fuel Standard Regulation, page 7

¹² Comments of Powering America’s Commercial Transportation (“PACT”) on the Proposed Amendments to the Low Carbon Fuel Standard, page 6

¹³ Comments of Powering America’s Commercial Transportation (“PACT”) on the Proposed Amendments to the Low Carbon Fuel Standard, page 4. Additional parties expressing support include Joint M/HD EV Infrastructure Parties, NRDC, Voltera.

Additionally, PACT continues to encourage CARB to consider creating credit parity between private and public infrastructure investments by equalizing the credits earned for both private refueling infrastructure and public refueling infrastructure, per charging station. To meet California's regulatory mandates, trucks refueling at private depots and trucks refueling at public stations will both need the necessary infrastructure to continue operations. Furthermore, with respect to meeting regulatory and air quality targets, the benefits provided by electric trucks do not depend on whether the charging infrastructure used is public or private. Whereas lowering credit eligibility for private charging would ultimately hamper California's ability to meet its own regulatory targets, establishing this suggested parity will help set uniform market signals, which in turn will better help achieve these goals. Additionally, offering equal crediting eligibility for private as public charging will bring the LCFS more in line with current operational needs, which are diverse across the M/HD sectors, and vary across many use cases and business needs. Equal treatment for public and private charging infrastructure will expand the anticipated climate and revenue benefits of the LCFS program and incentivize maximum participation.

V. Conclusion

PACT appreciates CARB's updates and its demonstrated commitment to considering public feedback. PACT stands ready to work with CARB on this and other matters.

Sincerely,
PACT

/s/
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On behalf of PACT