Clean Transportation Technologies and Solutions

www.calstart.org

August 27, 2024
California Air Resources Board
1001 I Street
Sacramento, CA 95814

SUBJECT: Low Carbon Fuel Standard 15-Day Changes

Dear CARB staff and Honorable Board Members,

CALSTART appreciates this latest iteration of the Low Carbon Fuel Standard (LCFS) amendments and applauds staff for their hard work and dedication to improve the LCFS program. The LCFS program is critical to the State's overall air quality, climate, and electrification strategy, as reflected by CARB's 2022 Scoping Plan, which lays out the path for attaining the State's carbon neutrality goals, and explicitly relies on the LCFS program to support electrification.

CALSTART and our Origins

CALSTART, headquartered in California, is a globally renowned 501(c)3 nonprofit organization dedicated to the advancement of zero-emission vehicle and infrastructure technology. With a global member consortium of almost 300 technology, government, industry, and community partners, CALSTART has worked for 30+ years to accelerate the commercialization and deployment of advanced technologies and solutions. Through policy development, incentive program administration, and first-of-its-kind deployment partnerships, CALSTART has designed and managed programs that drive the market for clean transportation technologies needed to achieve critical greenhouse gas and criteria pollutant emission reduction goals.

Comments on Proposed 15-Day Changes to the LCFS

CALSTART strongly supports the LCFS program and believes that the 15-day amendments are a huge step in the right direction in terms of improving programmatic elements to best support the transformation of the transportation sector, particularly for medium- and heavy-duty vehicles.

Capacity Credits and the HD-FCI Provisions

CALSTART appreciates staff's modifications to the HD-FCI and HD-HRI programs, which address many of the concerns that were raised by industry and advocates during the 45-day comment period and April 10 workshop. Specifically, we are thankful for the changes to the geographic limitations and the removal of FSE caps in favor of a limit on total power. These changes will help address grid constraints and support infrastructure buildout consistent with the State's overarching climate strategy and the Joint Office of Energy and Transportation's National Zero-Emission Freight Corridor Strategy.

While these revisions on the whole seem to greatly improve the HD-FCI program in order to support the State's ZEV deployment goals, there are some areas where clarification within CARB's Final Statement of Reasons are still needed:

- Regarding the prohibition that a shared HD-FCI site cannot be reserved for one HDV fleet for more than 12 hours each day, we seek clarification on whether this restriction applies site-wide or on an individual FSE basis. It is our understanding that the 12-hour limitation is intended to be site-wide. If the restriction were to apply on a per-FSE basis, it could significantly impact the viability of the charging-as-a-service business model, which often relies on 24-hour reservation periods to support fleet operations effectively.
- It is our understanding that the distance requirement for shared HD-FCI sites, which has been extended to five miles from any ready or pending FHWA Alternative Fuel Corridor, is intended to mean as-the-crow-flies rather than as-the-truck-drives, but clarification would be greatly appreciated.

Increased Stringency

CALSTART appreciates staff's proposal to increase the Carbon Intensity (CI) stepdown from the initially proposed 5% to 9%. Increasing the stringency of the program translates into millions of additional tons of greenhouse gas emission reductions and strengthen the market in the process. While we are tremendously grateful to see this stepdown, we'd like to reiterate comments from our 45-day comment letter to encourage CARB to pull forward the effective date for triggering the Auto Acceleration Mechanism (AAM). The AAM should be based on 2025 data with the trigger assessment occurring in May 2026, and the AAM being applied in 2027 providing the applicable conditions are met, thus increasing the program stringency for 2027.

We are also pleased to see the introduction of a limit on credits for biomass-based diesel produced from virgin soybean oil and canola oil of up to 20 percent of annual biomass-based diesel reported on a company-wide basis– this is a step in the right direction. As California continues its progress toward carbon neutrality, it will continue to be important that the State's climate programs work synergistically together in order to achieve our ambitious goals and mandates. We commend staff for sending this important market signal and encourage staff and the Board to continue to think about how the LCFS program can best support the State's electrification objectives as the program continues into the future.

Conclusion

The LCFS program continues to be one of the best drivers to incentivize and promote investments in zero-emission infrastructure. It is a necessary program to ensure the reduction of carbon intensity in the transportation sector while accelerating the adoption of ZEVs. We appreciate all of CARB staff's work on this regulation to date, and the consideration of stakeholder feedback in this latest round of amendments.

Thank you for your time and consideration. Please feel free to reach out if there are any comments or questions.

Trisha Dello Iacono
Head of Policy
CALSTART