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California Air Resources Board
1001 I Street
Sacramento, CA 95814
Attn: Clerks' Office

27 August 2024

SUBMITTED ELECTRONICALLY https://ww2.arb.ca.gov/applications/public-comments

Subject: Low Carbon Fuel Standard (LCFS), 15-day Notice Comments

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Audi of America (Audi) welcomes the opportunity to submit comments to CARB on the most recently proposed changes to California's Low Carbon Fuel Standard (LCFS).

As we have noted previously, the LCFS program is a vital tool that uniquely leverages market incentives to drive reductions in Greenhouse Gas (GHG) emissions. Entities within the primary LCFS value chains have demonstrated the ability to react to the market signal when it is sufficiently strong. Thus, the LCFS holds great potential to serve as a key mechanism in accelerating the transition to zero emissions technologies, particularly electric vehicles (EVs).

Audi views the continued evolution of this fuels policy as vital to supporting our company's goal of aggressively transforming our vehicle portfolio to plug-in battery electric vehicles (BEVs) over the next decade. California's LCFS program can support this transition, particularly in the light-duty segment which dominates the state's roadways. Recent market trends reveal some emergent headwinds in consumer uptake of BEVs and the clear consensus is that purchase incentives are *increasingly* important as automakers seek to **move mainstream car buyers into plug-in electric vehicles**.

It is indeed automakers that are unambiguously best positioned to design and administer purchase incentives and other programs to boost consumer EV uptake in California. These activities are core to our business. The proposed changes to the LCFS program recognize this intrinsic product-consumer relationship that we curate and leverages LCFS credit value to bolster EV adoption.

The proposed changes to CARB's LCFS program will improve outcomes

As summarized in our submitted comments to the earlier LCFS proposed amendments[1], base credit generation from EV charging is unique in its ability to incentivize the *utilization* of zero-emission battery electric vehicles (i.e., more eVMT and more GHG reductions) and not just the initial sale of those vehicles.

Thus, CARB's proposed changes including automakers as LCFS base credit generators, alongside electric utilities, provide that needed direct incentive to drive further technology innovation, new consumer-facing programs, and further strengthen the market pull for deploying more BEVs, and more utilization of those BEVs, in the state of California.

We encourage CARB to look for further opportunities to find program efficiencies (leveraging existing data sources and administrative structures) so as to focus LCFS participants (and their resources) on deploying zero-emissions technologies into the California market.

Audi supports the comments submitted by the Alliance for Automotive Innovation (AFAI) that detail further areas for program refinement, context for the proposed changes, and how to best support a successful future implementation of consumer-facing EV investments, and light-duty EV rebates, in particular.

Thank you again for the opportunity to comment on this latest round of proposed program revisions.

Sincerely,

W. Spencer Reeder
Director, Government Affairs & Sustainability
Audi of America

[1] See: Audi comment submittal to CARB on Proposed Amendments to the Low Carbon Fuel Standard as outlined in the Staff Report: Initial Statement of Reasons (ISOR), March 21, 2024