California Transit Association

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August 27, 2024

Liane Randolph, Chair
California Air Resources Board
1001 I Street
Sacramento, CA 95814

RE: August 2024 Amendments to the LCFS Program

Chair Randolph:

On behalf of the California Transit Association, I write to you today to voice our support for the proposed Low Carbon Fuel Standard (LCFS) amendments package, released by the California Air Resources Board (CARB) on August 12, 2024, and to respectfully request continued consideration of the currently unaddressed priorities of our transit and rail agency members. This letter follows our earlier communications in response to the previously proposed LCFS amendments packaged, released by CARB on December 19, 2023. The Association represents over 200 member organizations from across California's transit industry, which includes 85 transit and rail agencies in the state.

As you know, in early 2024, the Association requested that CARB consider several changes to the previously proposed LCFS amendments package. These requested changes included addressing the credit generation disparities between pre-2011 and post-2010 fixed guideway systems and addressing administrative and reporting challenges associated with recording fuel service equipment (FSE) electricity usage. As we expressed at the time, in an era of significant financial constraints at the state and local levels, our industry views LCFS as a vital incentive for encouraging transit and rail agencies to take early and expansive actions to further clean their fleets and as an important tool for offsetting the persistently high costs of zero-emission operations. We are pleased to see that the new proposed LCFS amendments package addresses the most significant of these requested changes by proposing to establish parity in the credit generation of pre-2011 and post-2010 fixed guideway systems. This change will help ensure that California's fixed guideway systems, regardless of their construction year, can continue to deliver and expand robust electrified service to the benefit of Californians across the state.

In thanking CARB for the movement on this top and longstanding priority for the Association and our members, we continue to request that CARB act to further amend the regulation to address our remaining priorities. These priorities and the requested amendments are detailed below.

Administrative Burdens in Reporting

As highlighted in our previous comment letter, the LCFS program currently requires non-residential EV charging industries and agencies generating credits from grid electricity to report the quantity of electricity (in kWh) from the FSE, or electric charger. This creates an obstacle for our member agencies, as several have designated overhead charging systems to power their battery-electric buses. Some overhead charging systems are designed to maximize bus charging times, allowing 3 buses to charge simultaneously while connected to one charger. Because of this design and the current reporting requirements under LCFS, we reserve our concerns about how data will be reported from this type of design, and the need to register and report from each individual charger (power cabinet) and/or pantograph (dispenser). Currently, to maximize credits using time-of-use energy consumption, our members would need to report from the meter/utility bill or implement a type of charge management system software to charge multiple buses in the most cost effective manner. While useful, this technology is nascent and agencies do not have enough information to determine how this platform will perform when reporting data to CARB. With these issues not being addressed in the most recent set of amendments, the Association maintains, and urges the Board to consider, our concerns about the administrative constraints associated with registering and reporting from each individual FSE.

Loss of Credit Via Line Loss

Also noted in our previous comment letter, several transit agencies have reported a significant loss of energy (also known as line loss), and these figures differed greatly from those reported at the meters to those reported at the FSEs. Line loss is an unavoidable issue for many agencies and refers to the loss or consumption of energy in kilowatt hours (kWh) during the transmission or distribution of energy from the electric grid to the bus. This is a major concern because, at full deployment, this energy loss can equate to hundreds of thousands of dollars in credit loss per quarter and millions of dollars in credit loss annually. Though not a direct result of FSE reporting, line loss could also be addressed by authorizing agencies to report energy usage from the meter, as this would allow agencies to record the most accurate balance of accessible energy. Even so, reporting with a line loss would not accurately reflect the well-to-wheel GHG analysis for running a battery electric bus in-service.

In closing, we greatly value our partnership with CARB in advancing the deployment of zero-emission vehicle technologies. We thank you for your consideration of our requested changes to the LCFS program.

Should you or your staff wish to discuss further our interests for the LCFS, please feel free to contact me at (916) 446-4656 or alchemy@caltransit.org.

Sincerely,

Alchemy Graham
Legislative & Regulatory Advocate