January 7, 2022

Cheryl Laskowski
California Air Resources Board
1001 I Street
Sacramento, CA 95814

RE: Lucid Motors Comments on the December 7, 2021 Public Workshop: Potential Future Changes to the LCFS Program

Dear Ms. Laskowski:

Thank you for the opportunity to comment on the December 7, 2021 public workshop regarding potential future changes to the Low Carbon Fuel Standard program (LCFS). We are very excited for CARB to begin discussing future changes to the program to align with ongoing State and agency priorities.

As you are undoubtedly aware, the LCFS is one of the – if not the – most powerful climate change programs in California, and likely the world. As CARB and California look ahead to achieving carbon neutrality statewide and transitioning entirely to an electrified transportation sector, now is an important time to look at how the program may be best adjusted to achieve these outcomes and its continued success.

Lucid Motors strongly supports the proposals identified at the workshop to strengthen the program both in the near-term, through 2030, as well as beyond. **We encourage CARB to adopt stronger standards in line with the approved Scoping Plan, which may include tighter economy-wide emissions reductions in 2030 than minimally required under SB 32, as well as the overarching objective of achieving carbon neutrality statewide as soon as possible.**

Additionally, we strongly support the principle of aligning the program with Executive Order N 79-20. Among other items, that Order sets a goal of achieving 100 percent light-duty zero emission vehicle sales in the State by 2035. In order to achieve that objective, the State must support activities that lead to lower cost, long range, no-compromise electric vehicles able to support the mass market and all passenger vehicle applications. There is much that CARB can do to achieve this objective, especially through the design of its Advanced Clean Cars II program, which Lucid Motors has commented on separately.

In particular, and perhaps most importantly, the State should encourage automakers to maximize electric vehicle efficiency, which has the same impact on electric vehicle cost and range as reducing battery costs does. Together, battery cost reductions and electric vehicle efficiency improvements will deliver double the cost reductions and/or range improvements as will battery costs alone, and is the only way to achieve low-cost, no-compromise electric vehicles suitable for all customers.

Efficiency improvements provide the added benefits of reducing energy use, grid impacts, and associated emissions and land use impacts from electricity generation to charge electric vehicles. They also reduce the amount of battery needed and associated mining and commodity requirements. This, in turn, boosts national security and reduces price pressure on global commodities like lithium – providing additional cost reductions for electric vehicles. Additionally, it can curtail forecasted increases in demand for electricity stemming from the mass adoption of electric vehicles, limiting a variety of grid impacts and costs. In short, the State should care about and prioritize efficiency in electric vehicles just as much and for all the same reasons as it does for combustion vehicles.

Unlike battery costs, however, electric vehicle efficiency is a parameter that CARB can directly influence. We urge the agency to take steps to encourage automakers to maximize electric vehicle efficiency, through both the Advanced Clean Cars II regulations as well as the LCFS. This will prove critical to delivering on Governor Newsom's Executive Order and to electrifying the State's transportation sector as quickly and efficiently as possible – with the best possible emissions and consumer outcomes, and lowest possible costs.

CARB can take an important step to encourage ZEV efficiency in the LCFS by allowing automakers with highly efficient electric vehicles to generate incremental LCFS credits, by opting in to generate unique EER values above and beyond the baseline EER values for a particular vehicle category. We appreciate and support the principle of streamlined implementation, and we think such a program could be designed without needing to give every vehicle and class its own EER value, while providing an important incentive for automakers to improve efficiency and marketability of electric vehicles, and reducing their environmental impacts. **We hope CARB will consider incentivizing vehicle efficiency improvements through incremental EER crediting for especially efficiency electric vehicles,** and we would be happy to work with you on developing a streamlined approach to doing so.

Thank you again for the chance to comment on the recent workshop. We look forward to the opportunity to discuss these concepts with you further, and please do not hesitate to reach out with any questions.

Thank you,

Daniel Witt
Head of State & Local Public Policy
Lucid Motors