



November 5, 2024

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

RE: Low Carbon Fuel Standard Amendments – SUPPORT

Chair Randolph,

On behalf of the San Diego Metropolitan Transit System (MTS), I write to you today to voice our support for the California Air Resources Board's Low Carbon Fuel Standard and to encourage the board to adopt the proposed amendments to the program on November 8. This program has served as a critical funding source for public transit agencies across California and has helped to significantly accelerate the adoption of zero-emission transit vehicles and support transit operations, ensuring that everyday Californians, including our most vulnerable residents, have access to a clean and sustainable mobility option.

The LCFS was created by CARB in 2009 to reduce the carbon intensity (CI) of transportation fuels used in California. The LCFS functions, like most other market-based regulations, by using pricing to drive positive environmental outcomes. Under the regulation, regulated parties, generally fuel producers and suppliers, are required to meet an annual CI level established by CARB. Fuels that have a CI higher than the annual CI level produce a deficit, and fuels with a CI below the annual CI level generate a credit. Fuel producers and suppliers can reach compliance under the LCFS by producing or supplying cleaner fuels, applying excess credits generated in a previous year, or by purchasing credits from other regulated parties or market participants to eliminate deficits.

CARB estimates that, over the life of the program, LCFS has reduced the CI of transportation fuels by almost 13% from the 2010 baseline and doubled the volume of low-carbon fuel consumption. Due to the program's structure, transit agencies operating electrified fixed guideway systems or clean buses are eligible to generate credits for the electricity, hydrogen, and renewable fuels they use to deliver zero- and near-zero emission mobility options to their communities. When sold to a fuel producer and supplier that faces a deficit, these credits generate a new revenue stream which transit agencies across the state have successfully used to maintain and expand their services. CARB estimates that over the life of the program, California transit agencies have generated credits worth almost \$700 million. MTS began participating in the LCFS in 2013 and has generated over \$45 million in total from the program. In the aftermath of the pandemic and in the face of continued operations funding shortfalls, this funding is more critical to California transit agencies than ever before.

MTS is pleased to see that the proposed LCFS amendments address a key priority for MTS and the California Transit Association, which will further enhance the value of LCFS. In particular, the proposed amendments would establish parity in the credit generation of pre-2011 and post-2010 electrified fixed guideway systems, like ours. 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.

For these reasons, we voice our support for the LCFS and the adoption of the proposed amendments to the program on November 8.

Sincerely,

A handwritten signature in black ink that reads "Sharon Cooney". The signature is written in a cursive, flowing style.

Sharon Cooney  
Chief Executive Officer

cc: Board Members, California Air Resources Board  
Steve Cliff, Executive Officer, California Air Resources Board  
Rajinder Sahota, Deputy Executive Officer, California Air Resources Board  
Michael Pimentel, Executive Director, California Transit Association  
Members, San Diego Senate Delegation  
Members, San Diego Assembly Delegation