

October 17, 2024

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

Dear Chair Randolph and Board Members:

Subject: Los Angeles Department of Water and Power's Comments on California Air Resources Board's Proposed Modifications to the Proposed Amendments to the Low Carbon Fuel Standard Regulation

The Los Angeles Department of Water and Power (LADWP) appreciates the opportunity to provide comments on the California Air Resources Board's (CARB) Proposed Second 15-Day Changes to Proposed Amendments to the Low Carbon Fuel Standard (LCFS) Regulation posted on October 1, 2024. LADWP reaffirms its strong support of the LCFS program and its role in achieving the substantial greenhouse gas emissions reduction goals of AB 32, SB 32, and AB 1279.

As an electrical distribution utility (EDU), LADWP is the largest municipal electric utility in the nation, serving approximately 1.4 million residential and business customers. As a large publicly owned utility, LADWP is in the most optimal position to promote transportation electrification by investing in programs that benefit everyone while reducing the financial impact to its customers.

LADWP appreciates CARB's efforts in addressing the EDUs' concerns and incorporating their suggestions in the Second 15-Day Changes. LADWP specifically supports the following proposed additions and clarifications because they will help utilities expand and continue transportation electrification programs:

- a. Specifying that base credit proceeds previously allocated to the Clean Fuel Reward program by EDUs that remain unspent will be returned to those EDUs if base credits are allocated to the original equipment manufacturers.
- b. Addition of "panel and service upgrades" to the equity holdback project list.

Honorable Chair Liane Randolph and Honorable Board Members
Page 2
October 17, 2024

- c. Addition of coordination with “a community-based organization, or a California community college” to the re-skilling and workforce development projects to the equity holdback project list.
- d. Addition of “charging equipment or infrastructure that directly supports public transit and other clean mobility solutions listed in section 95483(c)(1)(A)5.a” to the equity holdback project list.
- e. Addition of a ten percent administrative cost cap to the utility holdback programs instead of five percent.
- f. Changing the holdback equity requirement from “proceeds” to “spending” and further specifying that if an EDU does not spend the required percentage on equity projects in a calendar year, the shortfall of spending will roll over to their total equity spending requirement for the following year.
- g. Clarifying that non-large or medium-sized investor-owned EDUs are required to spend 50 percent of holdback credit proceeds on equity projects, as opposed to 75 percent for large or medium-sized investor-owned EDUs.
- h. Clarifying that equity holdback projects approved by the Executive Officer pursuant to subsection 95483(c)(1)(A)(5)a. ix. comply with the LCFS regulation.

LADWP appreciates CARB’s collaboration with the stakeholders and consideration of the feedback provided thus far. LADWP looks forward to working with CARB staff on the development of future guidance documents for the implementation of these new provisions. LADWP supports the adoption of the proposed modifications to the LCFS by the Board. If you have any questions regarding these comments, please feel free to contact Ms. Andrea Villarin or Mr. Bang Phung, of my staff, at (213) 367-0409 or (213) 367-8689, respectively.

Sincerely,

Katherine Rubin
Director of Corporate Environmental Affairs

BP:lr

c: Ms. Rajinder Sahota, CARB
Mr. Matthew Botill, CARB
Mr. Jordan Ramalingam, CARB
Ms. Andrea Villarin
Mr. Bang Phung