SUNPOWER®

April 23, 2018

California Air Resources Board
Sacramento, CA

RE: Proposed Amendments to the Low Carbon Fuel Standard Regulation

Submitted Electonically to http://www.arb.ca.gov/lispub/comm/bclist.php

SunPower Corporation submits the following comments related to the California Air Resources Board's (CARB's) Proposed Amendments to the Low Carbon Fuel Standard Regulation.

SunPower is a California-based manufacturer with 30 years of market experience providing complete solar solutions and services to a diverse group of customers: residential, businesses, governments, schools and utilities.

Our comments pertain to the treatment of renewable electricity used in both conventional fuel refinery operations and crude production as well as for electric vehicle (EV) charging.

Boundary Conditions for Receiving Renewable Electricity Credits

The LCFS regulations allow for program participants to receive LCFS credits for utilizing renewable electricity in both conventional fuel refinery operations and crude production. This is an important policy to further drive private adoption of renewable energy to help meet the state's climate goals.

However, these rules are unjustifiably limiting in how renewable generation can qualify. For example, for solar and wind electricity projects, § 95489(c)(1)(A) indicates that electricity from such projects "must be produced and consumed onsite" in order to qualify for credits. Established state policy on net energy metering (NEM) affords a customer the ability to size an on-site renewable generator to meet up to 100% of the customer's annual electricity load. Whatever electricity is not utilized instantaneously behind-the-meter can be exported to the grid and utilized by the customer's operation at another time. We recommend that this regulation be revised (or clarified) to allow *the total output* of an on-site renewable generation system to qualify for LCFS credits.

Likewise, the prohibition against receiving LCFS credits for renewable electricity procured from an off-site project and delivered to serve on-site refinery or crude production loads should be eliminated. There is no meaningful climate benefit distinction between renewable electricity generated from an on-site system and that from an off-site system. The important point is fostering and fulfilling the increased private demand for renewable energy being created by the refinery or crude production operation. This would also align with the staff proposal "to allow

renewable power generated in the same balancing authority as the ZEV load to be used in EV charging and H2 production."[1]

Renewable Electricity Credit for EV Charging

SunPower supports the staff proposal to allow credit generators, such as EV manufacturers and charging station providers, within the electricity pathway to match EV charging with renewable electricity to generate LCFS credits using a zero Carbon Intensity value. This will provide an additional incentive for consumers to make EV purchases as well as support the continued deployment of renewable energy to meet the state's aggressive clean energy and climate goals.

Protecting Against Double Counting

SunPower agrees with previously submitted comments by Center for Resource Solutions (CRS) highlighting the importance of verification using established REC accounting principles to safeguard against double counting of the environmental attributes associated with the aforementioned uses of renewable energy.[2]

Thank you for your consideration.

Sincerely,

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[1] CARB *NOTICE OF PUBLIC HEARING TO CONSIDER PROPOSED AMENDMENTS TO THE LOW CARBON FUEL STANDARD REGULATION AND TO THE REGULATION ON COMERCIALIZATION OF ALTERNATIVE DIESEL FUELS*, Page 7

[2] *Comments of Center for Resource Solutions (CRS) following the November 6, 2017 Public Workshop on the California Air Resources Board (ARB) Preliminary Draft of Potential Regulatory Amendments to the Low Carbon Fuel Standard (LCFS)*, dated December 4, 2017.