Comments (below and attached redline regulations):

These comments are being submitted on behalf of seven community choice aggregators (“CCAs”): Peninsula Clean Energy Authority, Silicon Valley Clean Energy, East Bay Community Energy, MCE (formerly Marin Clean Energy), San Jose Clean Energy, Redwood Coast Energy Authority, and Sonoma Clean Power Authority (“Joint CCAs”). The Joint CCAs thank CARB for the opportunity to comment on proposed changes to the Low Carbon Fuel Standard (“LCFS”) program.

The Joint CCAs are public agencies, the default load-serving entities (“LSEs”) in the counties and regions we serve, and we supply low- or zero-carbon power to our residential, commercial, industrial and public sector customers. As such, the Joint CCAs are well positioned to accelerate the transition to electricity as the primary transportation fuel among our customers who are electric vehicle (“EV”) drivers.

However, with regards to our residential customers, the current LCFS rules on non-metered incremental credits do not reflect the reality that low- and zero-carbon energy is being utilized to power EVs in our service areas. To rectify this, the Joint CCAs are proposing a change to the LCFS regulations which would allow LSEs to claim the residential incremental credits for non-metered data in the same manner that the Electric Distribution Utilities (“EDU”) do.

Existing LCFS regulatory language allows the EDU to use an estimation methodology to capture the incremental value of LCFS credits generated by residential accounts as a “backstop” until metered claims are made for that charging. However, EDUs are serving a decreasing portion of statewide load, with more electricity being provided by CCAs in PG&E’s distribution territory than the EDU itself. Meanwhile, the Joint CCAs (e.g., default LSEs) are required to have metered data to capture the value of these incremental credits and cannot play this backstop role. We believe that when the LCFS rules were established, EDUs were solely granted this ease in process as public LSEs, such as the Joint CCAs, were just emerging. Now, the Joint CCAs are serving the majority of residential electricity customers in PG&E’s distribution territory. Thus the current discrepancy within ARB’s regulations is inequitable for customers in CCA service territories. Most importantly, it is significantly hampering the ability of the LCFS program to achieve its goals and CARB’s objectives - an estimated $55M worth of credits are currently unclaimed every year, outlined further below. In turn, this provision requires an immediate change which the Joint CCAs propose herein.

Implementing this change would better align with CARB’s goals of rewarding the usage of low or zero carbon power. Although the LCFS rules recognize the clean power the Joint CCAs provide to our customers, power that is cleaner than the EDUs, the metered data requirement is currently prohibitive in realizing CARB's goals. The EDU is not the LSE to these customers and is therefore also not able to monetize credits from clean charging behavior.

Requiring LSEs like the Joint CCAs to collect metered charging data that the EDUs are not required to collect for credit monetization is discriminatory and creates a significant cost and logistical challenge, requiring the LSEs to collect data that often doesn’t exist. Very few customers have installed residential network charging stations and requiring them to do so for the sole purpose of data collection for LCFS is cost prohibitive. Furthermore, a significant number of on-road EVs are not equipped to transmit telematics data, resulting in the loss of credits for these vehicles for the term of their deployment. Roughly half of the EVs currently deployed in California do not have telematics functionality and are not utilizing networked residential chargers to share metered charging data, thus roughly half of residential customer charging is uncaptured. Finally, the metered data requirement unintentionally worsens disparity for less affluent regions, where residents often can’t afford to install EV chargers and predominantly purchase early-model EVs that lack telematics*.* At a minimum, CARB should allow LSEs like the Joint CCAs to collect non-metered incremental credits for EVs that are not otherwise capable of submitting data because they are not charging on a networked residential charger and/or do not have telematic functionality that allows the automaker OEMs to claim them.

Finally, allowing the Joint CCAs to have improved access to incremental residential credits is aligned with CARBs goals of reducing transportation emissions. The Joint CCAs are not-for-profit public power agencies, governed by elected officials from local governments (cities, counties) we serve. CARB’s LCFS program is an opportunity for the Joint CCAs to monetize the incremental value of these credits and reinvest them into community-based programs including but not limited to EV charging station and vehicle incentives, and EV outreach, education and technical assistance initiatives. These amplify the impact of LCFS credits and further accelerate widespread transportation electrification to meet state and local policy goals.

Please see below for the Joint CCAs proposed changes to relevant sections in the CARB regulations to capture the value of residential non-metered incremental credits.  We believe these regulatory changes are critical to meeting the aggressive goals of CARB and the state. Thank you for your consideration of this issue.

**Proposed changes to LCFS Regulation to Allow CCAs to Claim Nonmetered, Incremental, Residential Credits. Copied below is the clean version of the proposed changes, a redline version is attached to the comments.**

*California Code 95483(c)(1)(B)(3)*

For non-metered residential EV charging, the LSE is eligible to generate incremental credits for supplying low-CI electricity to its customers’ EVs in its service territory.

*California Code 95486.1(c)(2)(A)(1)*

Non-Metered Residential EV Charging. The Executive Officer shall use the formula below for calculating the quantity of electricity eligible to generate incremental credits for each residence that has an electric vehicle that is not separately metered and is shown to receive low-CI electricity, and is not claimed by another generator of incremental low-CI electricity credits using metered data.

ElectricityEVNon-metered =

       NEVNon-metered  x  ElectricityEVDaily Average  x  Tdaysreporting period

where:

ElectricityEVNon-metered is the total estimated electricity use in kWh of non-metered residential plug-in EVs assigned to the LSE for the reporting period;

NEVNon-metered is the total number of non-metered residential plug-inEVs registered within a given LSE service area for the reporting period, for which the LSE can submit corresponding VINs to the Executive Officer;

ElectricityEVDaily Average is the quantity in kWh of electricity used daily for residential charging of plug-in EVs, based upon the best data available to the Executive Officer, during the reporting period;

Tdaysreporting period is the total number of days in the reporting period.

*California Code 95491(d)(3)(A)(1)*

Within the first 45 days after the end of the quarter, the EDU must provide the Executive Officer Daily Average EV Electricity Use data for the calculation of credits for non-metered charging from the prior quarter. The Executive Officer shall use the method set forth in subsection 95486.1(c)(1), to calculate any credits generated for the quarter and place them into the EDU's LRT-CBTS account. The Executive Officer may also consider any data and information that other LSEs, who supply low-CI electricity to their customers’ EVs, choose to provide within the first 45 days after the end of the quarter in support of determining the appropriate Daily Average EV Electricity Use for an LSE’s service territory; and