March 15, 2023

Sent via email to LCFSworkshop@arb.ca.gov and uploaded to February 23 workshop comment website

Re: February 22 Workshop on Low Carbon Fuel Standard (LCFS) Amendments

Dear Ms. Laskowski:

CalETC appreciates this opportunity to comment on the Low Carbon Fuel Standard (LCFS) workshop held on February 22. CalETC supports and advocates for the transition to a zero-emission transportation future to spur economic growth, fuel diversity and energy independence, ensure clean air, and combat climate change. CalETC is a non-profit association committed to the successful introduction and large-scale deployment of all forms of electric transportation including plug-in electric vehicles (EVs) of all weight classes, transit buses, port electrification, off-road EVs and equipment, and rail. Our Board of Directors includes representatives from: Los Angeles Department of Water and Power, Pacific Gas and Electric, Sacramento Municipal Utility District, San Diego Gas and Electric, Southern California Edison, Southern California Public Power Authority, and the Northern California Power Agency. In addition to electric utilities, our membership includes major automakers, manufacturers of zero-emission trucks and buses, electric vehicle charging providers, autonomous electric vehicle fleet operators, and other industry leaders supporting transportation electrification. Please note that the views and comments reflected in this letter represent the positions of the CalETC board of directors and some, but not all, of the members of CalETC.

CalETC opposes arbitrarily reducing the LCFS credit value for zero-emission forklifts under 12,000-pound lift capacity. CARB's slides suggest that because there is a forklift regulation and there are already electric forklifts under 12,000-pound lift capacity, the credit generation value for these forklifts should be reduced by 50%. This proposed reduction in baseline credit generation and energy economy ratio (EER) for this category of forklifts is arbitrary. Many fuels and clean fuel technologies are regulated and/or already exist in the market. It is both inappropriate and arbitrary to apply these criteria to electric forklifts only. Should CARB determine new criteria for removal of a fuel or technology from LCFS eligibility, that criteria should be fuel and technology neutral, transparent, support the State's goals to decarbonize transportation fuel and the transportation sector, complementary to existing regulations, and approved by the CARB Board.

CalETC supports a minimum 30 percent reduction in carbon intensity by 2030, an immediate step down in carbon intensity stringency requirement in 2024, and continued discussion around adding an acceleration mechanism to LCFS. Please see our December 21, 2022 letter for our detailed comments on these issues. CalETC is developing a detailed proposal for an acceleration mechanism for CARB's consideration as part of the 2023 amendments to the LCFS and the proposal should be ready soon. CalETC also supports increasing the stringency of the LCFS in the

post-2030-time frame, but does not have a specific recommendation at this time (see our August 8, 2022 letter for detailed comments).

CalETC supports including LCFS infrastructure capacity credits for medium- and heavy-duty zero-emission vehicle (ZEV) fueling through 2035 with a cap of at least 2.5 percent of prior quarter deficits. Please see our August 8, 2022 letter for our detailed comments on this topic. CalETC also supports allowing facilities that serve more than one fleet to participate in this capacity credit program to better serve the emerging use cases and business models in this market.

CalETC supports extending the current light-duty capacity credit program to 2035 with a cap of at least 2.5 percent of prior quarter deficits. We do not support limiting capacity credit generation to fueling operations exclusively within low-income or disadvantaged communities. With the adoption of the Advanced Clean Cars regulation (ACC II) requiring 100 percent of new vehicle sales be BEVs, fuel cell EVs and plug-in hybrid EVs with 50 mile all-electric range in 2035, California is requiring a dramatic increase in sales of light-duty ZEVs. The rapid deployment of ZEVs accessible to all Californians and the success of ACCII depends upon substantially more access to fueling infrastructure than currently exists. Therefore, it is counter to the state's ZEV goals and the commensurate need to build out sufficient fueling infrastructure to reduce the capacity credit generation cap to 1%. This is particularly true in 2026-2035, when the state anticipates massive ZEV sales increases and a commensurate build out of public fueling infrastructure.

According to the modeling done by SCE using the BNEF model, the impact of a ten percent cap on capacity credits to the overall LCFS out to 2030 is manageable, and as such, a limitation of a one percent cap on light duty capacity credits is not needed.[1] Furthermore, as shown by the California Energy Commission (with National Renewable Energy Lab), 37,000 public DCFC will be needed to support 8 million EVs in 2030.[2] A much larger number of DCFC will be needed to support the over 14 million EVs expected in 2035 under the ACC II regulations. In fact, data from the CEC and NREL confirm that substantially more DC fast chargers will be needed than the Governor's prior Executive Order.[3] CARB's current proposal should be aligned with the needs of ACC II. In addition, the CEC's findings on the need for light-duty public DCFC in 2030 appears similar to the need for public medium and heavy-duty DC fast chargers in 2030 as determined by CEC and Lawrence Berkeley National Lab.[4]

[1] See SCE's letter December 21, 2022 on the LCFS workshop docket, pages 12-13.
[2] Figure 1. Final AB 2127 report from the California Energy Commission (CEC) 2020.
[3] Governor's Executive Order is 10,000 DC fast chargers by 2025.
[4] The California Energy Commission's AB 2127 report found 157,000 DC fast chargers will be needed in 2030, of which 141,000 are 50 kW and 16,000 are 350 kW to support 180,000 class 2b-8 vehicles (medium- and heavy duty). CEC staff is working to identify how many would need to be public, private-shared or private. Assume 25% are public or private-shared: that equals about 39,250 chargers which is similar to the 2030 need for light duty DCFC in the AB 2127 report (see footnote 2). See https://efiling.energy.ca.gov/GetDocument.aspx?tn=247323 for November 2022 CEC workshop for more detail.

The staff proposal to limit capacity credit generation to fueling infrastructure located in low-income or disadvantaged communities does not align with the state's efforts to reduce impacts in those communities, nor does it ensure benefits to those communities. While there may be situations where a low-income or disadvantaged community benefits from fueling infrastructure located in the community, alternatively some communities may prefer that the preponderance of fueling infrastructure be primarily located outside the community to limit the traffic flow within the community. There may be fueling infrastructure facilities that serve light-, medium-, and heavy-duty ZEVs. It is uncertain how such facilities would be managed in the staff's proposed approach. CalETC recommends that CARB obtain feedback on this issue from community representatives and from the Environmental Justice Advisory Committee (EJAC). Additionally, rural and tribal communities may not be characterized as low-income or disadvantaged but nonetheless need access to ZEV fueling infrastructure. This may also be the case for other parts of the state where ZEV fueling infrastructure is preferred and needed for the benefit of all Californians.

CalETC also supports allowing facilities that serve more than one fleet and the public to participate in this capacity credit program to serve the many emerging use cases and business models in this market (e.g., fleets complying with the Clean Miles Standard).

In summary, with regard to light duty FCI and HRI programs, CalETC supports extending the current FCI and HRI programs to 2035 and does not support the staff's proposal for a one percent cap (based on prior quarter deficits) on the FCI and HRI programs post 2025 nor do we support limiting this program only to low-income or disadvantaged communities.

CalETC supports the inclusion of other zero emission fuels and applications into the LCFS including in-state aircraft. CalETC has long been concerned that natural gas and biofuels can earn LCFS credits in some end uses when electricity cannot earn credits in these end uses due to a lack of an EER. This oversight should be fixed. Please see our September 19, 2022 letter for our detailed comments.

Third-party verification for electricity: Please see our September 19, 2022 letter for our comments on this topic.

Thank you for your consideration. CalETC looks forward to working with staff on this important regulation.

Regards,

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California Electric Transportation Coalition

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