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January 7, 2022

Cheryl Laskowski
Chief, Transportation Fuels Branch Strategies Division
California Air Resources Board

RE: Comments from SRECTrade on the December 7, 2021 Public Workshop: Potential Future Changes to the LCFS Program

Dear Ms. Laskowski,

[SRECTrade](#) is a technology driven platform and services provider that helps provide equitable access to complex regulatory markets. As the largest third-party manager of environmental commodities in the United States, our goal is to accelerate adoption of clean energy assets while minimizing the time, cost, and risk associated with achieving financial return and compliance. As one of the largest third-party managers of fuel supply equipment (FSE) assets, we facilitate participation in the Low Carbon Fuel Standard (LCFS) program for a variety of public and private clean energy asset owners across multiple industries and sectors.

SRECTrade respectfully submits the following comments to California Air Resources Board (CARB) Staff in response to the LCFS Public Workshop to Discuss Potential Regulation Revisions held on December 7, 2021.

EXPAND DESIGNEE ROLE TO ZEV FUELING INFRASTRUCTURE PATHWAYS

Third-party designees or “agent aggregators” play an important role in enabling greater participation in the LCFS program. Recent data shows that nearly 20% of the 33,000 registered non-residential FSE assets are managed by a designee. Without the ability to designate another party to manage registration, reporting, and credit transaction activities on their behalf, many charging station owners may not enter the program at all due to lack of awareness or the time and cost associated with program participation. Agent aggregators serve to make it easier for charging station owners to benefit from the LCFS program and in turn, accelerate the deployment of low carbon fueling infrastructure. SRECTrade applauds Staff for enabling and supporting the agent aggregator role.

SRECTrade recommends extending the ability for station owners to designate a third party to manage pathway registration, reporting, and credit transaction activities under the ZEV Fueling Infrastructure Pathways. These pathways necessarily have more rigorous registration and reporting requirements and would therefore benefit from the same efficiencies of agent aggregators realized in other credit generating mechanisms. Enabling aggregators will directly drive further deployment in public ZEV fueling infrastructure. To affect this change, amendments to § 95486.2(a) and (b) should clarify that:

1. A designee may be named in the application
2. This designee may manage all pathway and reporting activities within a single, designee-maintained LRT-CBTS account
3. For § 95486.2(b)(1)(B), the estimated potential FCI credits are calculated for the site owner, not their designee

SERIALIZATION OF LCFS CREDITS

SRECTrade encourages Staff to consider implementing a serialization scheme for LCFS credits to improve program transparency. Credit serialization is common across other environmental commodity programs and registries. A serialized LCFS credit would be traceable throughout its entire lifecycle and distinguishable based on inherent characteristics such as generation facility, fuel type and application, and vintage. Under the current arrangement, it

would be impossible to trace an invalidated credit if that credit was transacted using a Clearing Service Provider account. Serialization would ultimately enable counterparties to better measure and manage invalidation risk and add transparency to the credit market.

THIRD PARTY VERIFICATION FOR ELECTRICITY CREDITING

SRECTrade is supportive of Staff proposal to expand third party verification requirements for Quarterly Fuel Transaction Reports to electricity and hydrogen fueling applications. However, SRECTrade strongly encourages Staff to consider requirements that are appropriately designed for electricity reporting and avoid placing large administrative impracticalities and cost burdens on reporting entities. Accordingly, staff should consider expanding the exception for EV charging currently under § 95491.1(c)(1)(G) to all relevant subsections where elements of the Monitoring Plan are described.

REPORTING REQUIREMENTS FOR ELECTRIC FORKLIFT FUELING

SRECTrade is supportive of Staff proposal to require metered data for all electric forklift fueling as this would increase accuracy and align forklift reporting requirements with other fuel applications. However, SRECTrade strongly encourages Staff to consider impacts to existing and future program participation from forklift operators when designing and implementing any additional reporting requirements. Staff may consider the following:

1. Phase-in any new metering and reporting requirements. This would provide forklift operators with enough time to plan for and install new metering equipment and implement operational changes that will likely be required
2. Allow metered forklift data to be prorated based on the fleet's distribution of equipment with model year pre-2011 and post-2010 or,
3. Retain the CARB-approved estimation methodology but remove the model-year distinction between equipment for metered forklift fueling data in order to incentivize program participants to deploy metering equipment

Thank you very much for your time and consideration as you review these comments. We welcome the opportunity for further clarification and discussion of our comments.

Best Regards,



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