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Clerk of the Board
California Air Resources Board
1001 I Street
Sacramento, California 95814

Comments by Waste Management of Oregon, Inc.
Low Carbon Fuel Standard – 2018 Amendments

Waste Management of Oregon, Inc. appreciates the opportunity to provide comments to the California Air Resource Board (CARB) on the 2018 Amendments to the Low Carbon Fuel Standard (LCFS) Program. The electricity pathway within the LCFS is an important tool to support the Governor's goals of placing more than 1.5 million Electric Vehicles (EVs) on California roads by 2025 and 5 million by 2030. Waste Management, Inc.'s subsidiary, WM Renewable Energy, L.L.C. proudly participates as a credit generator in both the California and Oregon LCFS programs as we are a clean, low carbon, renewable fuel producer. As a company participating in the LCFS program, we are deeply committed to supporting California's clean air and climate goals and would like to provide the following comments to improve the effectiveness of the LCFS program. With these changes, we believe the program will dramatically enhance its impact on the growth of zero-emission transportation in California.

We support the current proposal to create a statewide point-of-sale incentive for new EV buyers, which would be administered by EV manufacturers, subject to approval by CARB, based on residential charging data recorded by the vehicles. EV manufacturers are well-positioned to effectively market and administer a statewide point-of-sale rebate program given their natural touchpoints with consumers in their showrooms and dealerships. Under this proposal, EV manufacturers would opt-in to the residential electricity pathway for their vehicles and present a plan to CARB for approval regarding how the funds would be spent to drive EV adoption in California.[1] Utilities could continue to administer their rebate programs for vehicle manufacturers that do not participate in the program.

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[1] Stakeholders broadly accept that point-of-sale incentives are the most effective for driving consumer EV adoption. "Cash at the time of purchase is by far the best financial incentive – over twice the value of a tax credit." *Evaluating Methods to Encourage Plug-in Electric Vehicle Adoption: A review of reports on PEV incentive effectiveness for California Utilities*, Plug In America for CalETC, p.13 (October 2016). "Of all the options for returning LCFS revenue, a one-time rebate is likely the best means to encourage PEV adoption because it would be provided to all PEV buyers as an up-front amount off the purchase of the EV." *California Public Utility Commission Decision to adopt the LCFS Revenue Allocation Methodology*, p. 30 (December 2014).

This approach provides significant consumer benefits and improves upon the existing program design:

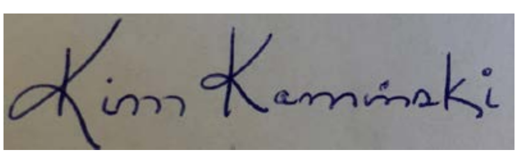
- Automakers can market the incentive to all California EV buyers. This improves upon the current program design, which has resulted in a fragmented portfolio of incentives based on utility territory.
- The incentive would reduce the upfront cost of EVs at the point-of-sale, ensuring that funds are effectively deployed to motivate sustainable purchase decisions. In contrast, under the current program design, potential EV buyers may not be aware of available incentives in their utility territory when considering an EV purchase. Furthermore, current programs allow consumers to apply for rebates long after their purchase decisions were made, making it unclear whether the rebate funds were ever a driving factor in the decision to go electric.
- Automakers would generate credits based on actual charging data versus estimates, which is the current program methodology. This enhances the integrity of the program and addresses some of the concerns raised by obligated parties.
- Automakers can support EV adoption in low-income or disadvantaged communities by offering an additional incentive to qualifying buyers.

In addition to the creation of a statewide point-of-sale EV incentive, we recommend that CARB proceed with allowing credit generators to match actual EV charging data with renewable energy generation to generate credits using a zero Carbon Intensity value. This will boost credit generation, increasing incentive values for consumers and supporting continued deployment of renewable energy in California.

We urge CARB to take action this year to implement these changes. California has set bold targets for EV adoption, low carbon fuel use and air quality improvements, and we hope with California's LCFS amendments and achievements other West Coast states will follow and replicate California's model. It will take smart, focused policy to ensure these targets are achieved. The recommendations in this letter represent a significant step in that direction.

Thank you for your time and consideration in this matter.

Sincerely,



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