



Dr. Sam Pournazeri, California Air Resources Board
1001 I Street
Sacramento, CA 95814
Submitted electronically to Sam.Pournazeri@arb.ca.gov

October 21, 2020

Re: 2020 Mobile Source Strategy Discussion Draft

Dear Mr. Pournazeri:

The signatories to this letter appreciate the opportunity to comment on the 2020 Mobile Source Strategy Discussion Draft (2020 MSS Discussion Draft). The 2020 MSS Discussion Draft is an integral planning document that will inform and guide other state, regional and local planning documents as well as upcoming regulatory proceedings, including the Carbon Neutrality policy and the Scoping Plan. We are hopeful there will be additional meaningful opportunities moving forward to work with the California Air Resources Board (CARB) staff and Board in preparing and finalizing this important document.

THE PROPOSED 2020 MSS DISCUSSION DRAFT IS NOT A COMPREHENSIVE PLAN AS REQUIRED BY LAW
Senate Bill 44 (SB 44) requires that CARB:

*“update the state board’s 2016 mobile source strategy to include a **comprehensive strategy** for the deployment of medium-duty and heavy-duty vehicles in the state for the purpose of bringing the state into compliance with federal ambient air quality standards and reducing motor vehicle greenhouse gas emissions from the medium-duty and heavy-duty vehicle sector.” 43024.2. (a)(1) (emphasis added)*

The 2020 MSS Discussion Draft does not provide an update to the 2016 Mobile Source Strategy (2016 MSS) nor is it a comprehensive strategy. Rather, it only proposes CARB’s preferred technology mix to meeting air quality standards and greenhouse gas emission goals. Components of the 2016 MSS not included in the 2020 MSS Discussion Draft include:

- Technology Assessments

- Statewide Measures
- Regional Measures
- Emission Reduction Calculations for Measures
- Economic Analysis

Again, the 2020 MSS Discussion Draft is merely a technology mix and does not include any of the above components that were included in the 2016 MSS. The technology mix used in the 2016 MSS was known as the Vision Scenario and was integral to the 2016 MSS. However, the Vision Scenario was one component of the 2016 MSS – not a comprehensive plan itself.

CARB staff has already acknowledged that the 2020 MSS Discussion Draft is not a complete update of the 2016 MSS and that the remainder of the update and the comprehensive strategy would begin in 2021. This is clearly not consistent with the requirements of SB 44, nor does it allow for a comprehensive review of risks, costs, or potential for success.

Adopting the 2020 MSS Discussion Draft as a partial update does not allow stakeholders the opportunity to meaningfully comment on a “plan” if it is woefully incomplete. The technology mix and the actions to achieve it must be developed concurrently to develop a reasonable and achievable plan.

In addition to the lack of a comprehensive strategy, piecemealing the 2020 MSS Discussion Draft by only completing a technology mix by January 1, 2021 also leads to failing to meet other important requirements of SB 44, which were negotiated within the Legislature, including:

43024.2.

*“(2) The state board’s updates to the mobile source strategy shall include both of the following:
(A) An identification of policies that provide advantages to fleets that reduce greenhouse gas emissions earlier than required by law.”*

“(b) In developing the comprehensive strategy, the state board shall do all of the following:

(2) Identify regulation that could improve market acceptance, spur technology advancements, reduce technology costs, and support the commercialization and deployment of medium duty and heavy-duty vehicles that reduce emissions of greenhouse gases.

(3) Identify research needs to address any data gaps.

(4) Identify areas where the state should coordinate with other state agencies, districts, utilities providers, and technology providers to implement measures identified as part of the comprehensive strategy.

(6) Identify policies that provide advantages to fleets that reduce greenhouse gas emissions early.”

RECOMMENDATION: CARB should not adopt a component of the 2020 MSS individually. CARB should comply with the requirements to SB 44 by completing a comprehensive 2020 MSS, even if it takes additional time past December 2020.

THERE HAS BEEN LACK OF TRANSPARENCY AND INADEQUATE PUBLIC PROCESS

With the importance and significant influence of the 2020 MSS, stakeholders expect, and California deserves a robust public participation process. To date, the public process for the 2020 MSS has been exceedingly sparse.

There has only been two public workshops and staff has indicated that there will not be any more prior to the anticipated vote by the Board in December 2020. The first public workshop was conducted in March 2020. At the time of that preliminary workshop, the Mobile Emissions Toolkit for Analysis (META) tool was

not available and little information was provided at the workshop for stakeholders to digest. The Draft MSS was released on September 30 and a mere four business days later, the second workshop was held on October 7, 2020. That is simply not enough time to respond to a 145-page document of this significance. At the second workshop, CARB staff noted that there will be no more public workshops and the only opportunities to comment were to submit a comment letter by October 21, 2020 or in public testimony at the December adoption hearing. Additionally, the second workshop was to present the first “Discussion Draft”. If staff proceeds as planned, there will be no workshops for the real 2020 MSS Discussion Draft.

SB 44 requires that the 2020 MSS be developed “in collaboration with relevant stakeholders”. Two public workshops (one with little information and one with little lead time) for the 2020 MSS does not meet this requirement. Additionally, it is simply bad practice for a public agency to provide such poor public outreach for a document as important and impactful to stakeholders as the 2020 MSS Discussion Draft.

For comparison, for the 2016 MSS, staff released the first iteration of the technology mix, Vision 1.0, in 2012 - four years before adoption of the 2016 MSS. The META tool was released to the public on August 5, 2020 – mere four months before the expected December 10 adoption hearing. While the time allotted by SB 44 was less than for the 2016 MSS, CARB did not express, to our knowledge, any concerns during the legislative process that they did not have the resources or time to meet the January 1, 2021 deadline. Furthermore, Governor Newsom signed SB 44 in September 2019 with a January 1, 2020 implementation date, providing CARB with ample time to prepare and begin work. It is unclear why CARB staff has repeatedly expressed that they did not have enough time to complete the 2020 MSS update.

RECOMMENDATION: CARB should hold additional public workshops as the overall strategy is being further developed *before* presenting it for Board consideration to increase public engagement and transparency, even if it takes additional time past December 2020.

LOW CARBON FUELS ARE NOT CONSIDERED IN THE 2020 MSS DISCUSSION DRAFT

The 2020 MSS is required by SB 44 to develop a comprehensive strategy to meet greenhouse gas reduction goals. However, staff has not considered the use of low carbon renewable fuel, not even in the near term. The 2020 MSS Discussion Draft completely ignores renewable gas, which is the lowest carbon fuel commercially available today and in the foreseeable future. In staff’s alternative scenario calculations, staff does not even calculate the potential carbon reductions from the alternative. Staff only calculates fuel consumption. It is incomprehensible that staff would not even consider the lowest carbon and most cost-effective strategy available.

Additionally, SB 44 requires CARB to identify *early actions* to reduce greenhouse gas emissions.

43024.2.

“(b) In developing the comprehensive strategy, the state board shall do all of the following:

(6) Identify policies that provide advantages to fleets that reduce greenhouse gas emissions early.

In order to satisfy this requirement, the 2020 MSS must look for ways to “provide advantages” for early emission reductions. What staff has presented to date, does not accomplish this. In order for CARB to achieve early greenhouse gas reductions, it must look at lower carbon renewable fuels such as renewable natural gas, renewable propane, renewable diesel or any other low carbon alternative. Renewable natural gas has lower carbon intensity than the electric grid and the supply is going to grow in the near term. A recent study on the near-term supply of in-state renewable gas showed that by 2024, 160 new renewable gas production facilities will be operational by 2024. These facilities will add 119 million diesel gallon equivalent units of renewable gas by 2024. Most astonishing, the average carbon intensity of the

renewable gas produced will be (-)101.74 grams of carbon dioxide equivalent per megajoule (gCO₂e/MJ). For comparison the electric grid currently has a carbon intensity of 82.92 gCO₂e/MJ¹.

Ignoring low carbon fuels is also completely inconsistent with the policy signals being sent by the continued implementation of the highly successful Low Carbon Fuel Standard (LCFS) program at CARB.

RECOMMENDATION: Staff should consider all carbon reduction strategies including renewable fuel and staff should calculate the carbon emission reductions of alternatives prior to Board consideration, even if it takes additional time past December 2020.

THE 2020 MSS DISCUSSION DRAFT DOES NOT LOOK AT A MIX OF TECHNOLOGIES TO MEET NEAR-TERM AIR AND CLIMATE GOALS

The 2020 MSS Discussion Draft includes only one medium and heavy-duty truck alternative, and none to achieve the 2023 South Coast Ozone standard. The 2020 MSS Discussion Draft proposes that all accelerated turnover is replaced with zero emission technologies. The alternative scenario assumes that instead of all accelerated turnover be to zero emission technologies, all accelerated turnover is to Low NO_x technologies. Overly simplified scenarios like this create a false choice of all of one technology or the another. Zero emission and Low NO_x should not be seen as competing technologies, but rather complementary technologies. It is not an “all or nothing” policy choice facing California. The reliance on one single technology to meet the state’s goals would worsen the state’s chances to achieving the all of its goals, including cost-effectiveness. All advanced technologies—ZEV, Renewable Fuels, Efficiency Gains—should play a role.

While Executive Order N-79-20 does provide direction for new sales of medium- and heavy-duty vehicles to be electric vehicles by 2045, where feasible, this does not absolve CARB from its responsibilities to reduce near-term emissions. It also doesn’t supersede state law requiring a “comprehensive strategy for the deployment” of these vehicles for the “purpose of bringing the state into compliance with federal ambient air quality standards,” which includes the near-term 2023 deadline.

RECOMMENDATION: Staff should develop additional scenarios that includes a mix of zero emission technologies and Low NO_x technologies.

THE 2020 MSS DISCUSSION DRAFT SHOULD USE LATEST PROJECTIONS IN THE EMISSION CALCULATIONS

Appendix A of the Draft 2020 MSS describes the methodology and assumptions for calculating carbon emissions from different sources. Appendix A includes the following:

“CNG is assumed to be 100% supplied by RNG consistent with the LCFS compliance scenario. The fraction of RNG from dairy biogas is fixed at 24% after 2030, with the remainder from landfill gas”

There is no description on how this assumption was made. In 2019, 180 million diesel gallon equivalent units (DGE) of RNG was used in California per Low Carbon Fuel Standard data. The vast majority of this RNG used in the state of California has been imported from out-of-state. However, in-state production is rapidly ramping up as significant public and private investments have been made. A recent study concluded that based upon existing project investments (including various CA incentive programs), by Jan. 1, 2024 there will be 160 in-state RNG production facilities.² Of these projects, 38% are LFG projects, 36% are dairy projects, and the 26% balance is from an assortment of “other” RNG sources (gasification, wastewater, recycled municipal organics, etc.). This does not include numerous out of state projects that have been announced, which would only increase

¹ https://ww2.arb.ca.gov/sites/default/files/classic/fuels/lcfs/fuelpathways/comments/tier2/elec_update.pdf

² “An Assessment: California’s In-State RNG Supply for Transportation 2020-2024” GNA, 2020

These projects would produce 119 million DGE of RNG per year for the transportation sector. The weighted average carbon intensity of the 119 million DGE from the 160 in-state RNG projects will be (-) 101.74 grams of carbon dioxide equivalent units per megajoule (g/CO₂e/MJ). This extremely low (negative) carbon fuel would represent 66.1% of the total 180 million DGE of RNG used in 2019.

It is important to note that the California Department of Food and Agriculture (CDFA) is expected to announce the next round of Dairy Digester Research and Development Program (DDRDP) grants, which would further increase the production of dairy RNG.

RECOMMENDATION: The assumptions for RNG made in the carbon calculation methodology should be revised to include the future RNG mix and average carbon intensity.

EMISSION REDUCTION CALCUALTIONS SHOULD BE COMPLETED AND RELEASED FOR PUBLIC REVIEW

In addition to using unsubstantiated assumptions as described above, staff has yet to complete and publicly release all of the necessary emission reduction calculations. Specifically, staff has not completed the carbon reductions for the alternative scenario. At the October workshop, staff only presented the long-term fuel consumption calculation for the alternative scenario, which is not representative of the emission reductions when accounting for renewable fuel. Emission reduction potential from each of the scenarios are fundamental to the strategy. It is unacceptable that staff would conclude the public process without completing the emission calculations and making those models available for public review and comment.

RECOMMENDATION: Staff should complete the emission reduction calculations, release it publicly, and allow stakeholder the opportunity to comment prior to board consideration, even if it takes additional time past December 2020.

Thank you again for the opportunity to comment. We, the undersigned organizations, are hopeful that CARB can best resolve the issues outlined in this letter prior to being considered by the Board and are eager to aid as needed.

Sincerely,

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Sean R. Edgar, Director, CleanFleets.Net
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