



May 10, 2024

**BY ONLINE SUBMITTAL**

California Air Resources Board  
1001 I Street  
Sacramento, CA 95814

ATTN: Liane Randolph, Chair  
Steven S. Cliff, Ph.D., Executive Officer  
Rajinder Sahota, Deputy Executive Officer

***Re: Comments on the April 10, 2024 LCFS Public Workshop***

Southern California Edison (SCE) appreciates the California Air Resources Board’s (CARB’s) staff’s efforts to continue to collaborate with stakeholders on modifications to the proposed Low Carbon Fuel Standard (LCFS) regulation amendments and the opportunity to provide written comments on the April 10, 2024, LCFS public workshop.

**LCFS Benefits EV Drivers and Is Helping Accelerate EV Adoption**

SCE supports LCFS as it has been instrumental in accelerating EV adoption and providing benefits to EV drivers within SCE’s service area and across the state. As an active participant in the LCFS, SCE implements multiple LCFS-funded transportation initiatives and serves as the CARB-mandated California Clean Fuel Reward (CCFR) administrator. Since 2017, LCFS funding for the CCFR and SCE’s independent programs have provided rebates on the purchase of more than 290,000 electric vehicles.

Starting this year, SCE is expanding its offerings of LCFS-funded projects to include rebates and support for non-vehicle TE equipment as well as additional vehicle incentives. Between authorized and programs pending CPUC authorization, SCE expects to spend approximately \$375 million in LCFS Holdback credit revenues through 2027. Eighty percent of this funding is for programs and services that benefit equity communities.

A few of the current and proposed LCFS-funded projects within SCE’s portfolio include:

- Pre-owned EV rebate program – In market since 2021, provides a rebate on the purchase or lease of a used EV, including a \$4,000 incentive for low-income drivers.
- Charge Ready Home – Launched in March 2024, provides eligible low-income customers with a rebate up to \$4,200 for a home electrical panel upgrade and necessary circuit to support EV charging.
- Zero Emission Truck, Bus, and Infrastructure finance program – Expected to launch in June 2024 will provide better capital access for fleet electrification in partnership with the California Treasurer’s Office.
- Drayage truck rebate – Expected to launch in June 2024, will support the electrification of ~5% of the drayage trucks in SCE’s service area.

Additional details are provided in SCE’s “How the Low Carbon Fuel Standard (LCFS) Benefits Customers” document, included in the appendix.

**SCE Supports the Proposed Amendments to the LCFS Regulation, but Additional Modifications are Needed to the Proposed Amendments to Provide Clarity and Address Implementation Challenges**

SCE supports the proposed LCFS regulation amendments but requests a few modifications to improve clarity and address implementation challenges. Among other things, SCE supports the Proposed Amendment’s recommendations to: (1) establish an automatic acceleration mechanism (AAM); (2) adjust the minimum contribution of large investor-owned utilities (IOUs) towards the Clean Fuel Reward program to 50% of their base residential credit proceeds; (3) list and provide detailed examples of pre-approved uses for utility Holdback credit proceeds; and (4) include Vehicle Grid Integration (VGI) and workforce development as pre-approved Holdback projects.

As detailed in SCE’s February 20, 2024 comments, SCE requests that CARB modify the proposed LCFS amendments to, among other things:

1. Combine the separate holdback project lists proposed for equity and nonequity projects, to improve clarity around what qualifies as an equity vs. non-equity project.
2. Require the large investor-owned utilities (IOUs) to use their Holdback revenues to fund at least three program options to help ensure revenues are benefiting diverse customer needs.
3. Retain the 10% administrative cost cap for Holdback programs, because 5% is insufficient.
4. Reject the 1-mile requirement for capacity credits in favor of greater flexibility.

Thank you for considering SCE’s comments and recommendations.

Sincerely,

*/s/ Rosalie Barcinas*

Rosalie Barcinas  
Director, Electrification & Customer  
Services Policy, Regulatory Affairs  
Southern California Edison

# APPENDIX



## HOW THE LOW CARBON FUEL STANDARD (LCFS) BENEFITS CUSTOMERS

The Low Carbon Fuel Standard (LCFS) helps reduce total energy costs for customers by enabling utilities, like SCE, to fund certain transportation electrification programs and services that typically are not included in the traditional utility ratemaking processes, such as incentives for customer-side infrastructure and vehicle rebates.

SCE is using LCFS base credit revenues to fund programs and services that help incentivize EV adoption and address air quality needs for low-income customers and customers in disadvantaged communities. Using LCFS to help fund programs and services makes it easier for customers to adopt electric vehicles and is also the most cost-effective way to reduce customer's energy share of wallet.

Since 2017, SCE has distributed over \$250 million of LCFS credit proceeds to customers in its service area – \$141 million as part of the California Clean Fuel Reward and \$114 million in SCE's independent programs - providing rebates towards the purchase of more than 290,000 electric vehicles. Starting this year, SCE is expanding its offerings of LCFS-funded projects to include rebates and support for non-vehicle TE equipment as well as additional vehicle incentives. SCE's portfolio of current and proposed LCFS-funded projects consists of the following:

- Pre-owned EV rebate program – In market since 2021, provides a rebate on the purchase or lease of a used EV, including a \$4,000 incentive for low-income drivers
- Charge Ready Home – Launched in March 2024, provides eligible low-income customers with a rebate up to \$4,200 for a home electrical panel upgrade and necessary circuit to support EV charging
- Zero Emission Truck, Bus, and Infrastructure finance program – expected to launch in June 2024 will provide better capital access for fleet electrification in partnership with the California Treasurer's Office
- Drayage truck rebate – expected to launch in June 2024, will support the electrification of ~5% of the drayage trucks in SCE's service area
- Subsidized public EV charging for low-income EV drivers – pending approval from the California Public Utilities Commission
- Customer-side infrastructure rebates for public heavy-duty truck charging – pending approval from the California Public Utilities Commission
- EV Maintenance Technician Training – pending approval from the California Public Utilities Commission

Between authorized and programs pending CPUC authorization, SCE expects to spend approximately \$375 million in LCFS Holdback credit revenues through 2027. Eighty percent of this funding is for programs and services that benefit equity communities.

Using LCFS to help accelerate TE adoption allows customers to reduce their reliance on expensive fossil fuel alternatives and reduces total energy costs for residential and commercial consumers. It also increases total electric system utilization, which directly applies downward pressure on electricity rates, benefiting all electricity customers, not just EV drivers. LCFS is significantly more impactful when used to accelerate TE adoption and buy down related costs, as opposed to non-targeted electric bill credits, especially within equity communities.