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November 8, 2024

Honorable Liane Randolph
Chair, California Air Resources Board
1001 I Street
Sacramento, California 95814

RE: Proposed Second 15-Day Change Amendments to the Low Carbon Fuel Standard

Dear Chair Randolph,

The California Municipal Utilities Association¹ appreciates the opportunity to provide this support for the Low Carbon Fuel Standard (LCFS) and the Second 15-day change package.² CMUA supports many of the changes presented in the second 15-day change package which address concerns previously expressed by CMUA.³ Additionally, CMUA supports the comments submitted by the Sacramento Municipal Utility District and the comments submitted by the California Electric Transportation Coalition, both submitted on October 16, 2024.

CMUA represents California's local publicly owned electric utilities (POUs), which are governed by a board of local officials that are accountable to the communities in which they serve. CMUA's member agencies are committed to maintaining reliable and affordable electric service in a manner that supports the state's climate goals.

CMUA supports the Low Carbon Fuel Standard (LCFS) program as key to reducing greenhouse gas (GHG) emissions from the transportation sector. California's POUs utilize LCFS credit value to develop programs to further promote transportation electrification consistent with the needs of the communities they serve.

¹ The California Municipal Utilities Association is a statewide organization of local public agencies in California that provide electricity and water service to California consumers. CMUA membership includes publicly owned electric utilities that operate electric distribution and transmission systems. In total, CMUA members provide approximately 25 percent of the electric load in California.

² Second Notice of Public Availability of Modified Text and Availability of Additional Documents and/or Information, Proposed Low Carbon Fuel Standard Amendments (October 1, 2024) available at Second Notice of Public Availability of Modified Text and Availability of Additional Documents and/or Information.

³ See CMUA comments dated February 20, 2024, at https://www.arb.ca.gov/lispub/comm/iframe_bccomdisp.php?listname=lcfs2024&comment_num=6964&virt_num=294

CMUA supports the following changes that improve the Proposed Amendments:

- Clarifying that medium sized POUs are required to spend 50 percent of holdback credit proceeds on equity projects.
- Specifying that base credit proceeds previously allocated to the Clean Fuel Reward program by Electrical Distribution Utilities (EDUs) that remain unspent will be returned to those EDUs if base credits are allocated to the original equipment manufacturers (OEMs).
- Including “panel and service upgrades” in the eligible equity holdback project list.
- Including coordinating with “a community-based organization, or a California Community College” to the re-skilling and workforce development projects in the eligible equity holdback project list.
- Authorizing a ten percent administrative cost cap to the utility holdback programs.
- Clarifying that if an EDU does not spend the required percentage on equity projects in a calendar year, the shortfall of spending will roll over to their total equity spending requirement for the following year.

Conclusion

CMUA appreciates the opportunity to provide these comments on the LCFS Proposed Amendments and the Second 15-Day Package and encourages the Board to vote in favor of these proposed changes.

Respectfully submitted,

/s/

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