

May 10, 2024

California Air Resources Board 1001 | Street Sacramento, CA 95815

Re: Comments of Voltera on the Proposed Low Carbon Fuel Standard Amendments

California Air Resources Board Members and Staff,

Voltera appreciates the opportunity to provide these comments to the California Air Resources Board (CARB), in response to the proposed Low Carbon Fuel Standard (LCFS) Amendments, and April 10, 2024 workshop. Through this filing, we reinforce our February 20th, 2024 recommendations, share alignment of our comments with other stakeholders, and provide further feedback on critical, recommended approaches to strengthen the LCFS regulation in support of widespread electric vehicle (EV) adoption.

Introduction

**Executive Summary** 

There are multiple, significant opportunities for CARB to strengthen the overall efficacy of the LCFS program.

For the medium and heavy-duty (M/HD) sector, there are clear opportunities for CARB to adjust the LCFS regulation to align with M/HD ZEV infrastructure deployment needs and realities. Voltera recommends that CARB remove the proposed geographic limitations which restrict investments to within 1 mile of a Federal Highway Administration Alternative Fuel Corridor, remove the proposed 10 FSE per-site cap, reduce or clarify the proposed 250kW minimum capacity for FSE, clarify the 1⁄4 mile factor and eliminate the per site 10 MW limit, and increase the MHD-FCI program deficit to 5%, to help California meet state M/HD deployment goals.

For the light-duty (LD) sector, there are also clear opportunities for CARB to adjust the LCFS regulation to better support LD fleet electrification, especially with respect to EV infrastructure for shared mobility. In this regard, Voltera encourages CARB to create a LD FCI provision for entities that are deploying infrastructure to support EV ridesharing, EV rental, and EV carsharing. To support market confidence in LD infrastructure investments, Voltera further recommends that CARB maintain the 2.5% cap (in contrary to the staff proposed reduction to 0.5%) for the 2026–2030 timeframe.

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With these critical adjustments, Voltera is confident that the LCFS program will continue to deliver key support to the ZEV transition to help enable stakeholders to achieve the goals and comply with the mandates of the Clean Cars II, Clean Miles Standard, Innovative Clean Transit, Advanced Clean Trucks and Advanced Clean Fleets regulations.

### **Coalition Engagement**

Voltera's comments are informed and have been developed through a diverse array of meetings and discussion with industry stakeholders and coalition partners. These engagements have included coordination and co-development of comments with an assorted array of partners, including the California Electric Transportation Coalition (CalETC), Powering America's Commercial Transportation (PACT), and the Joint MHD EV Infrastructure Parties. While the comments developed within this document are Voltera's distinct position, many of our recommendations align with those expressed by these stakeholders, and relatedly, Voltera has directly signed on in support of the comments filed by the Joint MHD EV Infrastructure Parties.

#### About Voltera

Voltera sites, invests in, builds, and operates strategically located, fit-for-purpose charging facilities enabling our customers to deploy and operate EVs at scale.

Voltera provides a charging infrastructure as a service (ClaaS) model. ClaaS is a turnkey solution that includes site identification and acquisition, site development, hardware deployment, operations, and maintenance. Voltera coordinates the entire real estate process for (and often with) customers and develops the site on their behalf. Voltera procures and installs electric vehicle supply equipment (EVSE) hardware and operates and maintains the site, including the EVSE. Reliability, availability, and speed of charging are typically guaranteed through service-level agreements that Voltera holds with our customers. In February 2024, Voltera announced that we have secured 19 ZEV infrastructure development sites since August 2022, bringing Voltera's portfolio to 21 sites, representing approximately \$150 million of private investment in ZEV infrastructure real estate and over 115 megawatts (MW) of planned charging capacity, with projects across California, Arizona, Texas, Georgia, and Florida.<sup>1</sup>

Voltera's current initiatives in California include:

• Goods movement: Voltera has opened its first scaled truck site with 65 installed highpowered DC fast chargers (DCFC) in Lynwood. In addition, Voltera has purchased properties throughout California and is positioned to rapidly accelerate medium and heavy-duty (M/HD) goods movement with the aid of an evolved and sustainable LCFS

<sup>&</sup>lt;sup>1</sup> Reference: Voltera Solutions, EV Charging and Infrastructure Services. Website Access: https://www.volterapower.com/solutions

program. Voltera recently announced planned development of a truck site in Wilmington with support from the Federal Highway Administration and the South Coast Air Quality Management District.<sup>2</sup>

- People movement: Voltera has purchased and is developing multiple properties in California to support light-duty (LD) rideshare electrification, including in the San Francisco and Los Angeles regions.
- Regulatory: Voltera is actively engaged in multiple regulatory proceedings. We are a party
  to Rulemaking 23-12-008, Order Instituting Rulemaking Regarding Transportation
  Electrification (TE) Policy and Infrastructure, before the California Public Utility
  Commission (CPUC). Rulemaking 23-12-008 is intended to address future utility TE
  programs and is especially pertinent to these comments based on the potential overlap
  with LCFS resources. Notably, utilities are responsible with implementing LCFS holdback
  credit programs which are the dual jurisdiction of CARB and the CPUC. Voltera is also
  engaged as a party in Rulemaking 24-01-018, the Order Instituting Rulemaking to
  Establish Energization Timelines. Voltera intends on engaging at the CPUC to support
  continued policy development on ZEV issues, including LCFS strategy recommendations.

Based on the extensive industry experience of Voltera's team, we provide the following comments. Our recommendations are intended to ensure that the LCFS regulation is structured in a manner that is flexible enough to support both the market and technology innovations needed to achieve the diverse goals established across the LD and M/HD sectors in California. An evolved and sustainable LCFS program is all the more critical in light of recent budget direction that could diminish infrastructure funding via a number of essential programs.

# Comments

LD Sector Recommendations

a. There is clear opportunity to adjust the LCFS regulation to better support LD fleet electrification, particularly that supporting shared mobility

It is important that CARB ensures alignment between the LCFS program and the sectors that are mandated to electrify, including the LD sector. For example, transportation network companies (TNCs) are compelled to electrify consistent with achieving 100% electric vehicle miles traveled (eVMT) by 2030 under the Clean Miles Standard.<sup>3</sup> CARB can ensure that the LCFS program aligns its support with the LD sector by making the following key program adjustments.

<sup>&</sup>lt;sup>2</sup> Website Access: https://www.volterapower.com/post/voltera-secures-9-6m-federal-grant-to-electrifymajor-us-ports-savannah-los-angeles-and-long-beach

<sup>&</sup>lt;sup>3</sup> Website Access: https://ww2.arb.ca.gov/sites/default/files/barcu/regact/2021/cleanmilesstandard/fsor.pdf

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b. Create a LD Fast-Charging Infrastructure (FCI) provision for private companies that are deploying infrastructure to support EV ridesharing, EV rental, and EV carsharing

Reinforcing our prior comments, Voltera recommends that CARB adjust the existing LD FCI provision to allow for FCI incentives to be applicable anywhere (and not just for public access), especially in scenarios where infrastructure is specifically built by the private sector and designated to promote infrastructure access for EV ridesharing, EV rentals, or EV carsharing. Through this adjustment, CARB can embolden stakeholders to more aggressively achieve technological and economically feasible solutions for shared electrification across the TNC, taxi, rental, and carsharing sectors. This adjustment would be especially valuable to accelerate electrification of the vehicles leveraging the TNC platforms, which as noted earlier must meet 100% eVMT by 2030 under the Clean Miles Standard. In addition, this adjustment would directly align with multiple policies, as California has prioritized electric car rentals and sharing as detailed in the 2013 ZEV Action Plan<sup>4</sup> and EV sharing policies in the 2015 ZEV Action Plan.<sup>5</sup> Relatedly, the CPUC has taken up the Clean Miles Standard rulemaking, which this adjustment would directly support.<sup>6</sup> As such, Voltera recommends that CARB structure support for the continued and accelerated electrification of the EV ridesharing, EV rental, and EV carsharing sectors by supporting the growth of its attendant EV infrastructure.

c. Maintaining the 2.5% cap for LD

As detailed in our previous comments, Voltera's recommends that the current 2.5% cap continue (in contrast to the staff proposal to reduce to 0.5%, from 2026-2030. Maintaining the provision better aligns with CARB's Scoping Plan, the Advanced Clean Cars II regulation, as well as the AB 2127 report by the California Energy Commission.

# M/HD Sector Recommendations

There is significant, clear opportunity for CARB to adjust the LCFS regulation to better align with M/HD ZEV infrastructure deployment needs and realities.

Voltera applauds CARB's leadership in the development of the proposed M/HD FCI program provisions. With necessary modifications, CARB's proposed M/HD FCI program can be highly effective in attracting private capital to build essential infrastructure. Specifically, there is need to better align the provision with the on-the-ground realities of deploying M/HD infrastructure to improve program efficacy. In this regard, reinforcing our previous comments and aligning

<sup>&</sup>lt;sup>4</sup> Website Access: https://opr.ca.gov/docs/Governors\_Office\_ZEV\_Action\_Plan\_(02-13).pdf <sup>5</sup> Website Access: https://www.ca.gov/archive/gov39/wp-

content/uploads/2018/01/DRAFT\_2015\_ZEV\_Action\_Plan\_042415.pdf

<sup>&</sup>lt;sup>6</sup>Website Access: https://www.cpuc.ca.gov/news-and-updates/all-news/cpuc-sets-path-for-transportationcompanies-to-electrify-fleets-2024

additional commenters, Voltera strongly recommends the following adjustments to the M/HD FCI program.

d. Remove the 1-mile geographic limitation

Voltera recommends that CARB remove geographic limitations to the M/HD FCI program. Such adjustment will improve the program's effectiveness to support the M/HD industry and will better align with specific fleet and infrastructure demands and realities. As noted in our February 20<sup>th</sup> comments, we are concerned that the proposed requirement limits the M/HD FCI program to one mile of a ready or pending Federal Highway Administration Alternative Fuel Corridor. This will only exacerbate existing land acquisition challenges. Relatedly, many parties have further recommended this change, and Voltera aligns our recommendation with multiple parties who have also expressed the challenges posed by geographic restrictions. Coalition for Clean Air notes that geographic restrictions should be removed, as they will undercut program effectiveness, delay deployment, and increase costs for charging and grid upgrades.<sup>7</sup> Natural Resources Defense Council (NRDC) comments that CARB should allow M/HD FCI locations anywhere in California—especially for shared depots, or within 5 miles from a corridor rather than just 1 mile.<sup>8</sup> Earthjustice further commented that geographic restrictions will add administrative burden and unnecessarily exclude sites with high potential to electrify earlier than longer haul routes that would be operating along these corridors.<sup>9</sup>

Moreover, the proposed M/HD FCI provision is misaligned with the on-the ground experiences of energizing large-scale M/HD projects. These energization timelines are of such high importance that the CPUC (per SB 410) has taken up Rulemaking 24-01-018. In this regard, the utility response to the LCFS rulemaking provide key perspective. Southern California Edison notes that CARB should reject the 1-mile corridor requirement due to grid constraints and resulting delays and cost increases, and other negative externalities that impact deployment.<sup>10</sup> Sacramento Municipal Utility District further recommends that CARB consider making the boundary more flexible, as "such a restriction for MHD EV infrastructure would significantly limit the number of locations where these investments could be made, and investments may be needed in areas that do not overlap with equity communities."<sup>11</sup>

e. Eliminate the 10 FSE per-site cap

It is imperative to stress that the M/HD sector transition is still in its nascency particularly in relation to operational deployment. As such, flexible terms that encourage market and technology innovation are warranted. Voltera recommends that CARB remove the 10 FSE per-

<sup>&</sup>lt;sup>7</sup> Comments of Coalition for Clean Air, Website Access: 6414-lcfs2024-VjUFYAdnBQIVMAIm.pdf (ca.gov)

<sup>&</sup>lt;sup>8</sup> Comments of NRDC, Website Access: 6958-lcfs2024-WzUFcVA1BTUAWQNg.pdf (ca.gov)

 <sup>&</sup>lt;sup>9</sup> Comments of Earthjustice on LCFS, Website Access: 6958-lcfs2024-WzUFcVA1BTUAWQNg.pdf (ca.gov)
 <sup>10</sup> Comments of Southern California Edison, Website Access:

<sup>&</sup>lt;sup>11</sup>Sacramento Municipal Utility District, LCFS Comments, Website Access: 6201 HQ Letterhead (ca.gov).

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site cap. Removing this cap will help enable project stakeholders to scale infrastructure in the manner necessary to meet the state's M/HD goals and will likely encourage stakeholders to engage in cost reductions from economies of scale that come with investments in larger projects. Multiple stakeholders, including the Joint MHD EV Infrastructure Parties (with whom Voltera is aligned) recommend striking Section §95486.3(b)(2)(D), which establishes a limit of 10 eligible FSEs per application within a quarter mile. Nonetheless, if CARB feels that there are strong reasons not to eliminate the FSE cap, Voltera would encourage CARB to consider a higher step-down cap, for example to 30 FSE credits per site, and a potential tiering of further site FSE credits to partial credit value to support additional infrastructure deployments. This is critical to support the transition of larger fleets.

f. Eliminate or reduce the 250kW minimum capacity

It is imperative that CARB establish a M/HD FCI provision that recognizes fleet diversity and best aligns with the current state (and early stages) of operational planning while also envisioning future need. Eliminating the 250kW minimum capacity will help enable infrastructure providers to deliver a variety of solutions to meet market needs, and closely aligns with state policies to promote transportation electrification projects that minimize costs while maximize benefits. Specifically, Voltera encourages CARB to enable infrastructure developers to provide a variety of solutions to meet market needs, which may or may not meet the proposed 250kW threshold. This recommendation is aligned with NRDC, which agrees that sites should be able to have a mix of charging levels to meet different customer needs.<sup>12</sup> Environmental Defense Fund also suggests removing the minimum.<sup>13</sup>

g. Clarify the 1/4 mile factor and eliminate the per site 10 MW limit

CARB proposes that: "The total nameplate power rating for all FSEs claiming MHD-FCl credit owned by a single applicant within 1/4 mile of an MHD-FCl site cannot exceed 10 MW." Voltera reads this as there being a 1/4 radius component to the number of proposed FSE MHD FCl credits that can be claimed by a single entity. However, this language reading could also result in linking this not to a single entity, but to multiple entities. From Voltera's perspective, this latter scenario is a direct concern, and in any logical scenario, Voltera recommends removal of the 10MW combined nameplate threshold altogether. This approach will help motivate investment in megawatt-level chargers.

h. Increase the MHD-FCI program deficit to 5% to help California meet state M/HD deployment goals

 <sup>&</sup>lt;sup>12</sup> Comments of NRDC, Website Access: 6958-lcfs2024-WzUFcVAIBTUAWQNg.pdf (ca.gov)
 <sup>13</sup>Comments of Environmental Defense Fund, Website Access: 7011-lcfs2024-BWBWNFE2BwsGYwdo.pdf (ca.gov)

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The current proposal for the MHD-FCI program is limited to 2.5% of the previous quarter's deficits. However, Voltera stresses the nascency of the M/HD market segment and encourages CARB to raise this cap to attract the private investment needed to accelerate and scale the M/HD ZEV market and meet relevant regulations. As identified in the CEC's AB 2127 analysis, the state will need approximately 2,900 MW of charging capacity by 2025 and 11,600 MW of capacity by 2030.<sup>14</sup> This implies continuous and accelerated deployment needed to meet our long-term objectives. for example, the California Trucking Association estimates that 300-600 DC fast chargers need to be installed every week to meet the state's 2035 needs.<sup>15</sup> As such, Voltera encourages CARB to raise the proposed cap to 5% to help meet M/HD infrastructure demands, to bolster market support for these investments and accelerate market deployment.

#### Conclusion

Voltera appreciates the opportunity to provide these comments to CARB in response to the proposed LCFS amendments, and the associated April 10, 2024 workshop. Please reach out with any questions or for clarification regarding these comments.

Respectfully submitted,

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<sup>15</sup> Chris Shimoda Senior Vice President of Government Affairs California Trucking Association; R.24-01-018

https://www.cpuc.ca.gov/-/media/cpuc-website/divisions/energy-

<sup>&</sup>lt;sup>14</sup> The California Energy Commission's AB 2127 report uses the HEVI-load model to forecast the number of depot and public chargers required for MHD charging under the AATE3 primary scenario. This forecast predicts the number of chargers and their respective power ratings that will be required in 2025 and 2030, as seen in Appendix-H, Table H-1. The sum of the total MHD charging capacity based on this forecast was calculated to be 2,900 MW and 11,600 MW by 2025 and 2030, respectively, by taking the sum-product of the number of chargers and their respective power rating.

Public Workshop Discussing the Development of Energization Timing Targets and Processes to Report Energization Delays California Public Utilities Commission; February 2, 2024; Website Access:

division/documents/infrastructure/energization/ab50\_sb410-energization-workshop\_02022024.pdf