

June 6, 2023

California Air Resources Board  
1001 I St.  
Sacramento, CA 95814

**RE: SRECTrade Comments in Response to May 23, 2023 Public Workshop: Auto-Acceleration Mechanisms and Step Down Benchmark Considerations for the LCFS**

Dear Air Resources Board Staff,

Thank you for the opportunity to provide feedback in response to the May 23, 2023 public workshop on auto-acceleration design elements. SRECTrade has the following comments:

1. **CARB should advance the implementation of lower 2030 carbon intensity (CI) targets by January 1, 2024.** Sustained uncertainty from another delay in adjusting the CI targets risks significant loss of confidence in the program at a critical time. CARB may consider bifurcating the other topics presented in the last few months, including the auto-adjustment mechanism, and holding a subsequent rulemaking in early 2024 to address items of greater complexity but less near-term impact.
2. **SRECTrade supports a significant step down for the 2024 or 2025 benchmark to address the current over-compliance conditions that are unlikely to abate.** CARB should make reasonable efforts to implement a step down in conjunction with lower 2030 CI targets by January 1, 2024.
3. **SRECTrade is supportive of a deficit-to-bank ratio trigger that pulls the carbon-intensity (CI) benchmark schedule forward by one-year.** SRECTrade also supports the adoption of **two acceleration criteria** to limit auto-adjustments to respond only to more durable shifts in low carbon fuel trends. These mechanisms would serve as effective and transparent tools for maintaining consistent price signals for the programs as technologies continue to rapidly evolve.
4. **SRECTrade believes that a price-based trigger is more susceptible to market manipulation and should not be used for any auto-acceleration mechanisms.** Additionally, adjustment mechanisms that only freeze or release the CI targets after one year would not do enough to spur additional investments in low carbon fuels and add unnecessary complexity to the program.

SRECTrade appreciates the opportunity to provide feedback and looks forward to continuing to work with ARB to ensure continued success of the LCFS.

Sincerely,

*Evan Rosenberg*

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**About SRECTrade**

*SRECTrade provides management and transaction solutions across a variety of renewable energy and clean fuel programs. The company is the largest third-party manager of EV charging assets under the California Low Carbon Fuel Standard. SRECTrade's parent company, Xpansiv, provides market infrastructure to rapidly scale the world's energy transition. Xpansiv operates CBL, the largest spot exchange for environmental commodities, including carbon credits and renewable energy certificates.*