



June 6, 2023

Cheryl Laskowski, Ph.D.
California Air Resources Board (CARB)
1001 I Street
Sacramento, California 95814

RE: Electrify America comments on May 23, 2023 LCFS Workshop

Dear Dr. Laskowski:

Electrify America appreciates the opportunity to comment on the May 23, 2023, Low Carbon Fuel Standard (LCFS) Public Workshop: Auto-Acceleration Mechanism and Step Down Benchmark Considerations. Electrify America is the nation's largest open DC fast charging network for electric vehicles, with over 3,500 ultra-fast chargers across more than 800 locations around the country, and over 1,000 chargers across 249 locations open to the public in California.

The LCFS is one of the State's most powerful tools for supporting clean transportation in California, including electric vehicles and charging infrastructure, and we encourage CARB maximize its effectiveness by adopting strong targets in line with the State's stated climate change goals and objectives, along with a step down in carbon intensity in 2024 and a one-way ratchet mechanism to automatically strengthen the program over time. Electrify America has consistently advocated for CARB to align assumptions and final LCFS carbon intensity (CI) reduction targets with the Final Scoping Plan, which we expect would lead to CI reduction targets of no less than 35% in 2030 and likely greater than 100% in 2045.

In addition to a strong 2030 target that aligns with California's climate goals, one of the most important amendments for CARB to consider is a step-down in stringency in 2024. As noted in CARB's presentation, a near-term step down could strengthen targets and the price signal driving investments in low carbon transportation projects, while improving market certainty. We support a significant step down in 2024 – and encourage CARB to avoid delaying a step down until 2025 – in-line with BTR's recommendation. Such a step down, to a CI reduction target of 19% in 2024, would help to address the near-term oversupply of credits and restore stability to the program.

We also strongly support an auto-acceleration mechanism, and generally support the AJW proposal and elements of the CARB staff concept. In particular, Electrify America supports a one-way ratchet mechanism to automatically strengthen the program with the following characteristics:

- A single, credit-based test, where an acceleration would be triggered either when annual credits exceed a pre-defined level of annual deficits, or when the credit bank exceeds certain thresholds. We don't believe a dual test is needed, but think either credit-based option could work. We encourage further evaluation of appropriate thresholds for a trigger, including credit-to-bank ratios of less than 0.7, to identify appropriate triggers to advance CARB's objectives when designing the program.
- Should an auto-acceleration be triggered, we encourage CARB to pull forward compliance with the entire regulation by a year. We discourage CARB from considering a one-year acceleration followed by a "freeze" period. Credits from zero emission vehicles, in particular, will continue to grow rapidly, and the market already will be designing for compliance with a pre-defined CI reduction schedule. Should compliance be ahead of schedule, based on the defined trigger, CARB should have the same confidence that the market can comply with a slightly accelerated compliance schedule as it would have in the absence of an auto acceleration mechanism.
- Electrify America does not support requiring Board approval for consecutive auto-acceleration events. Such a provision would introduce unnecessary uncertainty, which would serve to undercut the benefits of the provision and program. It is also likely that CARB will naturally consider additional regulatory amendments before two or three ratchet events were to take place (e.g., within in the next ~5 years).
- Electrify America supports the duration and lead time proposals included in the AJW presentation.

Thank you again for the opportunity to comment on this workshop. We look forward to continuing to work with CARB through the LCFS amendment process in order to identify the best near-term and longer-term targets and program structure to align with the State's climate goals. Please do not hesitate to reach out with any questions.

Sincerely,

/s/

Andrew Dick
Business Development Manager, Incentives
Electrify America, LLC