



June 6, 2023

Sent via email to LCFSworkshop@arb.ca.gov and uploaded to [May 23 workshop comment portal](#)

Re: February 22 Workshop on Low Carbon Fuel Standard (LCFS) Amendments

Dear Ms. Laskowski:

CalEETC appreciates this opportunity to comment on the Low Carbon Fuel Standard (LCFS) workshop held on May 23. CalEETC supports and advocates for the transition to a zero-emission transportation future to spur economic growth, fuel diversity and energy independence, ensure clean air, and combat climate change. CalEETC is a non-profit association committed to the successful introduction and large-scale deployment of all forms of electric transportation including plug-in electric vehicles (EVs) of all weight classes, transit buses, port electrification, off-road EVs and equipment, and rail. Our Board of Directors includes representatives from: Los Angeles Department of Water and Power, Pacific Gas and Electric, Sacramento Municipal Utility District, San Diego Gas and Electric, Southern California Edison, Southern California Public Power Authority, and the Northern California Power Agency. In addition to electric utilities, our membership includes major automakers, manufacturers of zero-emission trucks and buses, electric vehicle charging providers, autonomous electric vehicle fleet operators, and other industry leaders supporting transportation electrification. Please note that the views and comments reflected in this letter represent the positions of the CalEETC board of directors and some, but not all, of the members of CalEETC. More specifically, the members of CalEETC are not fully aligned with regard to the acceleration mechanism and some members do not support the adoption of such a mechanism.

CalEETC supports at least a five percent step-down in the carbon intensity (CI) target as soon as possible (assuming at least a 30% CI target for 2030). CARB's presentation describes options for the size of the initial step down and the corresponding preliminary California Transportation Supply Model version 0.2 (CATS) modeling results.¹ Based on that analysis, we recommend at least a five percent step-down in the CI target to help return the LCFS credit market to where it was pre-pandemic, and because the existing credit clearance market will protect against excessive price escalation. In addition, based on the recent trajectory of the credit bank, we estimate about 20 million credits in the bank by the time the new LCFS takes effect unless a five percent step down in stringency reduces the bank to about 10 million credits.

CalEETC supports the four recommendations presented by AJW on the acceleration mechanism at the workshop: 1) the basis for triggering the acceleration mechanism is a two-test verification that is credit based, 2) the duration of time that factors into a trigger is one calendar year, 3) the magnitude of any increased stringency is a continuous increase with limits, and 4) the lead time given to market participants if an acceleration mechanism is triggered is a CARB decision by May

¹ https://ww2.arb.ca.gov/sites/default/files/2023-05/LCFSPresentation_052223_0.pdf at 14.

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15 for a January 1 effective date.² We believe that AJW's analysis of the pros and cons of the various options is well-reasoned and that AJW used an appropriate process to gather stakeholder feedback on the options for an acceleration mechanism.

Please see our December 21, 2022 [letter](#) for our prior comments on the step-down, the 2030 CI target, and the acceleration mechanism topics including why all three are needed. We emphasize that a near-term step down in stringency and the acceleration mechanism would not replace the need for increasing the overall stringency of the program to a minimum of 30 percent reduction in CI by 2030.

Thank you for your consideration. CalETC looks forward to working with staff on this important regulation.

Regards,



Laura Renger, Executive Director
California Electric Transportation Coalition

cc: Rajinder Sahota
Matthew Botill
Jordan Ramalingam
Jacob Englander

² https://ww2.arb.ca.gov/sites/default/files/2023-05/AJW_052323.pdf at last slide. See slide 7 for an example of a two-test verification that is credit based. Also according to AJW's presentation, a continuous increase with limits means "all future years automatically jump, but in the event of repeated triggers, Board approval would be needed before a third consecutive trigger."