



**Metropolitan
Transit
System**

April 11, 2024

Liane M. Randolph, Chair
California Air Resources Board (CARB)
1001 I Street
Sacramento, CA 95814

Submitted Electronically

RE: Low Carbon Fuel Standard Workshop – MTS Comments

Dear Chair Randolph,

On behalf of the San Diego Metropolitan Transit System (MTS), we respectfully submit comments related to the CARB Low Carbon Fuel Standard (LCFS) Workshop held on April 10, 2024. We greatly appreciate your time and consideration to the following comments we have provided in this letter.

MTS has been participating in the LCFS program since 2013, beginning with renewable natural gas fueling 40- and 60-foot buses. Over the years, MTS has included the electrical fixed guideway of the Trolley system, propane buses, as well as battery electric buses. The LCFS program has been a vital source of additional revenue for our agency. The credit proceeds we have received are used to offset operating costs and allow MTS to provide as much service as possible to our community in addition to supporting the deployment of low and zero carbon fuels.

MTS supports moving the amendment package forward and endorses the recommendations provided by the California Transit Association. MTS encourages CARB to consider the following:

- 1) **Create parity in the credit generation between post-2011 and pre-2010 fixed guideway systems.**
 - MTS has a legacy system that was built pre-2010, however it requires constant investment to keep the system in a state of good repair. MTS's main Trolley line, the Blue Line, was completely overhauled and rehabilitated after 2011, at a cost of over \$300 million, yet is still considered a pre-2010 system. MTS also has a new Trolley extension that does qualify as a post-2011 system, and it generates about three times as many credits as the legacy system yet operates with the same technology in the vehicles and electrification of the entire system. This disparity is creating millions of dollars in potential lost revenue MTS could be putting towards enhancing and growing service.



2) Explore providing a credit enhancement for transit.

- As a transit operator, MTS faces challenges in the next few years addressing significant operating deficits as well as cost increases related to CARB's Innovative Clean Transit regulation. The consideration of providing a credit enhancement for transit can greatly assist in addressing cost increases seen throughout this industry.

3) Streamline mechanics of registering with LCFS and tracking credit generation.

- Currently, for battery electric bus reporting, every single charger needs to be maintained in the Alternative Fuels Portal, and the quarterly reporting needs to be maintained at the charger level. However, since each charging system has one dedicated utility meter for that system, without any other operational uses, reporting at the meter level would be more straightforward and administratively less burdensome for transit agencies, ultimately saving on staff time and costs.

4) Continue to support Renewable Natural Gas (RNG) under LCFS.

- For MTS, the transition from natural gas buses to battery electric buses will take many years, with a plan to complete the transition by 2040. This is not only due to the life cycle uses of current buses, but also the tremendous investment to install zero-emission infrastructure along with the premium cost factors of electric buses. If RNG is no longer generating credits in the LCFS program, many transit agencies, including MTS, could not afford RNG to fuel its fleet during transition years. This could result in agencies needing to revert to fossil natural gas temporarily to balance cost implications. In order to ensure transit agencies continue to operate the cleanest vehicles, it is critically important to continue to support RNG under LCFS.

Thank you for your consideration of our comments. MTS continues to be very supportive of the program as a whole and looks forward to working with CARB on this rulemaking. If you would like to discuss any of the comments in this letter, please contact Julia Tuer, MTS Manager of Government Affairs, at Julia.Tuer@sdmts.com.

Sincerely,



Sharon Cooney
Chief Executive Officer

cc: CARB Board Members