CalETC
California Electric Transportation Coalition

April 22, 2019

Sent via email to LCFSworkshop@arb.ca.gov

Re: CARB workshop on cost containment for Low Carbon Fuel Standard (LCFS) credit prices

Dear Mr. Duffy:

CalETC attended the workshop on April 5, 2019 on LCFS credit price cost containment and appreciates this opportunity to provide comments on the workshop. We also appreciate the tremendous effort and accessibility of CARB staff during the extensive public process leading up to this point.

CalETC supports and advocates for the transition to a zero-emission transportation future as a means to spur economic growth, fuel diversity and energy independence, ensure clean air, and combat climate change. CalETC 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 of all weight classes, transit buses, port electrification, off-road electric vehicles and equipment, and rail.

CalETC supports the LCFS, a program that has been successful thus far in reducing the carbon intensity of California's transportation fuel. Given the near-total dependence on oil in the transportation fuels sector, the LCFS is essential to both diversify the transportation fuels sector and reduce emissions from carbon-based fuels.

CalETC understands staff's and the Board's concern about containing the price of LCFS credits, Further, we agree with staff's desire to reduce deficit banking, limit credit price volatility, and maintain the stringency of the LCFS program.

CalETC understands that staff is recommending the two proposals presented at the workshop would work together. CalETC supports both proposals:

- **Proposal 1 - a price cap in daily market:** limit all LCFS credit transactions to not exceed $200 per metric ton in 2016$.
- **Proposal 2 - advanced credits:** issue up to 10 million advanced LCFS credits (cumulative) from non-metered residential electricity (base credits) from 2026 to 2030 to electric distribution utilities only if insufficient credits are pledged to meet the total annual deficit obligation for the LCFS program.

Further, CalETC understands that CARB believes proposal 2 is unlikely to be used. But if used, it should ensure that deficit banking does not occur because it removes any incentive to wait to buy credits. We also support other aspects of the staff analysis (e.g., conservative scenarios of EV adoption).

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CalETC recognizes that there are other details to be worked out, if staff proposes a rulemaking, and looks forward to working with staff on this in the future on these details (e.g., use of advance credits or amount of advanced credits each year). Thank you for the opportunity to comment.

Regards,

Eileen Wenger Tutt, Executive Director
California Electric Transportation Coalition