



August 14, 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 July 31, 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 supports the following proposals presented at the workshop on July 31:

- **Maximum Credit Price:** Limit all credit transactions between entities to no more than the CCM maximum price (\$200 in 2016 \$ indexed for inflation)
- **Borrowed Credits:** LCFS credits that will be issued to ensure there are sufficient credits to meet all obligations in the CCM. These credits would be repaid by reducing future credit issuance from base non-metered residential electricity and the number of credits that may be borrowed would be limited to a maximum amount of 10 million credits, cumulatively.
- **Borrowing window** of six years commences when the first borrowed credit is issued and repayment occurs over the five years following the end of the borrowing window.

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

Regards,

A handwritten signature in blue ink, appearing to read "Eileen W. Tutt". The signature is fluid and cursive, with the first name "Eileen" and last name "Tutt" clearly distinguishable.

Eileen Wenger Tutt, Executive Director
California Electric Transportation Coalition