

August 15, 2019 | Submitted Electronically

Ms. Rajinder Sahota, Assistant Division Chief  
Industrial Strategies Division  
California Air Resources Board  
1001 I Street  
Sacramento, CA 95812

Mr. James Duffy, Manager  
Alternative Fuels Section  
California Air Resources Board  
1001 I Street  
Sacramento, CA 95812

**Anaheim Public Utilities Department and Riverside Public Utilities Comments on the July 31, 2019 Workshop to Discuss Potential Amendments to the Low Carbon Fuel Standard Regulation**

Thank you for the opportunity to provide these informal comments regarding potential upcoming amendments to the Low Carbon Fuel Standard (LCFS) Program. Anaheim Public Utilities (APU) and Riverside Public Utilities (RPU) are submitting these comments in response to statements made at the July 31 workshop regarding Electrical Distribution Utility (EDU) participation in the future statewide point of purchase rebate program for electric vehicles, which is to be known as the Clean Fuel Rewards (CFR) Program. We appreciate this opportunity to help CARB better understand our concern with CARB staff's statement regarding a possible future amendment to the LCFS regulation. The proposed change would eliminate any allocation of non-metered base residential credits to EDUs that are unable to participate in the newly established CFR Program due to an inability to agree to some of the terms and conditions of a proposed governance agreement (Agreement). APU and RPU support the goals of the CFR Program, and indeed desire to continue our participation; however, the insertion of a provision in an amended regulation that requires EDUs to agree to the terms and conditions of an agreement privately negotiated outside of the regulation poses significant concerns. The Agreement currently proposed provides liability protections for the CFR program administrator; however, includes business practices that are not consistent with the Anaheim City Charter and risk practices or Riverside's standard risk and operational practices, and exposes not just our utilities, but each City's general funds to potential liabilities beyond the revenues derived from the LCFS proceeds. **APU and RPU request that CARB consider allocating the required percentage share of LCFS base credits outlined in the LCFS regulation to EDUs that are signatories to the Governance Agreement. In doing so, both APU and RPU retain the ability to provide direct benefits to electric vehicle drivers within their respective service areas.**



**ANAHEIM**  
PUBLIC UTILITIES

WATER | ENERGY | LIFE



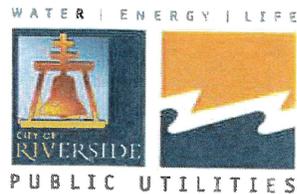
**PUBLIC UTILITIES**

### **Anaheim Public Utilities**

Since 2016, APU has been participating in CARB's LCFS Program, and uses revenue from the sale of its LCFS credits to assist with expanding transportation electrification (TE) efforts throughout its entire community. As a local municipal utility, APU is able to offer its customer-owners tailored TE programs and services that take into account their specific circumstances and needs. APU serves the largest population in Orange County, within which, approximately 58% of households are under the low-income designation. While CalEPA's CalEnviroScreen tool considers area pollution exposure levels in addition to income and unemployment levels to determine which areas are considered disadvantaged, APU's customer programs serve expanded low-income and disadvantaged (LI-DAC) communities, which include low-income areas defined by the Department of Housing and Urban Development as Community Development Block Grant (CDBG) areas and affordable housing multifamily developments.

Currently, one-third of APU's TE programs include additional benefits for its LI-DAC communities in the form of public access charger rebates that are double our standard rebate. APU has earmarked another 31% of future LCFS credit revenues for a number of TE programs that are in development, which will include enhancements for LI-DAC communities. These programs include ride and drive events specifically in DAC areas, focus groups specifically with LI-DAC community members, web content that will educate customers on affordable and used EVs, and a High School EV-kart Race, which not only educates students on the efficacy of EVs but also prepares them for future Science, Technology, Engineering and Mathematics (STEM) careers as automotive repair technicians and engineers. Additionally, under development is a pilot electric car sharing service program in APU's LI-DAC communities, which includes subsidies for affordable housing developments and income-qualified customers to participate in the service, providing much needed access to clean affordable transportation for Anaheim's community. In addition, APU is developing a program utilizing LCFS funding in collaboration with local school districts, many of whom serve students in LI-DAC communities, in order to support the necessary infrastructure to electrify their diesel bus fleets. Without access to the LCFS credit revenues, these programs would be delayed significantly or altogether canceled. As an internationally renowned destination for business and recreation, Anaheim is an example – and a showcase for TE innovation – for over 25 million visitors every year.

It is imperative for APU to be able to provide access to sustainable solutions that improve our local air quality along major transportation corridors where many of LI-DAC areas are located. APU works closely with local residents, in particular, within DAC neighborhoods, to offer TE programs that complement other sustainability initiatives such as energy efficiency and water conservation. All of these local efforts have a direct impact on improving the lives of our income-qualified customers in a comprehensive manner.



**Riverside Public Utilities**

RPU opted into CARB's LCFS program in 2018 and has been developing a suite of TE programs with an anticipated approval and launch in late 2019. The delay to launch programs was necessary in order for RPU to generate sufficient credits to offer for sale and allow program offerings to be aligned with the estimated proceeds the utility would receive. RPU's planned programs include education and events to support TE; rebates for used electric vehicles and home charging equipment; and installation and support of publicly available EV charging. Importantly, the majority of the LCFS credits that RPU has received were generated from the non-metered residential charging. Loss of the residential base credits will significantly reduce the scope of the programs offered or even RPU's ability to offer TE programs.

While most of RPU's expected TE programs, such as the installation and support for publicly available EV charging, will benefit all EV drivers, including those that will receive a CFR rebate, many of RPU's customers will not be able to benefit directly from the CFR. Almost 50% of households in Riverside are located in communities identified by the CalEPA's CalEnviroScreen tool as LI-DAC, and over 40% are eligible for CDBG areas. Many of these households will not be able to purchase or lease a new electric vehicle. The programs planned by RPU will not face such a limitation. These programs will offer a benefit to those customers that would like to purchase and drive an electric vehicle but will not qualify for the CFR program due to its sole focus on providing a rebate for the purchase or lease of new electric vehicles.

**Conclusion**

The LCFS program has, and is expected to, provide much of the funding for our utilities to administer these and other TE programs for our large and diverse communities. Should APU and RPU lose all allocated base residential credits due to the potential risks associated with the current Agreement language, it will significantly affect Anaheim's and Riverside's efforts to support and expand transportation electrification for the residents, businesses and the millions of visitors our cities host every year.

Thank you for your time and attention to this matter.

Respectfully submitted,

A blue ink signature of Dukku Lee, consisting of stylized initials and a long horizontal stroke.

Dukku Lee  
General Manager  
Anaheim Public Utilities

A blue ink signature of Todd Corbin, written in a cursive style.

Todd Corbin  
General Manager  
Riverside Public Utilities