



**To: Sam Wade, Branch Chief
Low Carbon Fuel Standard Division
California Air Resources Board
State of California**

From: Envoy Technologies Inc.

**Re: Comments of Envoy Technologies Inc. in response to Staff's
Suggested Modifications to 2018 Amendments Proposal Low
Carbon Fuel Standard Regulation Workshop, and the Proposed
Amendments to the Low Carbon Fuel Standard Regulation**

August 30, 2018

Dear Chief Wade:

Envoy Technologies Inc. (“Envoy”) is pleased to provide these comments in response to the Staff’s Suggested Modifications to the 2018 Amendments Proposal Low Carbon Fuel Standard Regulation Workshop (“Workshop”), held August 8, 2018, and the Proposed Amendments to the Low Carbon Fuel Standard Regulation (“Proposed Regulation Amendments”) released August 13, 2018.

Envoy is an Electric Vehicle (EV) fleet mobility service provider. Envoy creates EV car sharing systems as an amenity in multi-unit dwellings (MUDs), affordable housing, commercial properties, hotels, workplaces, and destination centers. In 2017, Envoy was awarded California Energy Commission grants to focus on EV fleet deployment specifically in disadvantaged communities (DACs) across two California regions (Sacramento and the Bay Area). Pursuant to these programs, Envoy is deploying approximately 60 EVs in the affordable housing sector. On June 13, 2018, Envoy announced that it was selected by Electrify America to provide shared mobility services in Sacramento, Electrify America’s first designated “Green City.” Under this agreement, Envoy will operate round-trip car share services for 152 EVs across 71 properties within the City of Sacramento. These EVs will be supported by Level 2 charging infrastructure, and 75% of these properties will be located in low-income and DACs. Given its current

pipeline, Envoy anticipates that it will launch upwards of eight hundred EVs by the end of 2019. Envoy has registered as an opt-in party to the LCFS program.

As a stakeholder in this regulation, Envoy provides the following comments in response to the Workshop and Proposed Regulation Amendments:

1). Hierarchy

Envoy supports the Proposed Regulation Amendments hierarchy,¹ which will allow for Electrical Distribution Utility (EDU), or designees, to accrue and sell credits on the EDU's behalf. Allowing parties other than EDUs to serve in this manner may lead to cost savings, create innovative management approaches, and may spur market opportunities and unique partnerships. This approach may also be of added value to EDUs, that may face expanded program complexity under the revised program requirements.

2). Point-of-Purchase Rebates

Envoy supports point-of-purchase rebates in concept, as a tool to accelerate transportation electrification. The proposed point-of-purchase program will leverage existing core competencies (e.g., utility-based LCFS credit management, rebate management, others) which may streamline access to rebate programs, leading to reduced costs and increased benefits. In addition, the point-of-purchase program will join a volume of existing rebate programs, which under certain conditions can provide up to \$14,000 to entice ZEV adoption.² Envoy requests clarification regarding the amount to be provided under the point-of-purchase rebate program, and encourages CARB to work with stakeholders to set this amount as expeditiously as possible to avoid confusion. In addition, to encourage expanded market innovation, Envoy recommends that CARB ensure that EV fleet mobility service providers (such as Envoy) have access to these rebates. More broadly, Envoy encourages CARB work with stakeholders to evaluate innovation opportunities with LCFS funds beyond the point-of-purchase rebates model, specifically with the revenue generated from LCFS credits that have not been earmarked for point-of-purchase rebates (see innovation discussion in "Sister Agencies" section below).

¹ *The Proposed Regulation Amendments State that: "the EDU or its designee is the credit generator for base credits for the portion of residential EV charging", and that "The EDU may authorize a third party to sell the EDU's credits." Page 47; Website Access: <https://www.arb.ca.gov/regact/2018/lcfs18/15dayatta2.pdf>.*

² *Incentives are available across three programs, Enhanced Fleet Modernization Program (EFMP), EFMP Plus-Up, and Clean Vehicle Rebate Project (CVRP) — all of which can be stacked. Household Income (≤ 225% FPL) are eligible to receive up to \$14,000. Website Access: <https://www.arb.ca.gov/msprog/aqip/efmp/efmp.htm>*

3). Multi-Unit Dwelling Pathway

Envoy requests a unique provision that accommodates Envoy's unique EV fleet mobility service model and arrangement. While Envoy agrees that EDUs should be the "default" opt-in party for MUD credits, Envoy requests CARB to consider designing a provision that ensures that EV fleet mobility service providers can claim credits for the fleets that they are deploying in the MUD sector.³

The Proposed Regulation Amendments have removed the MUD provision which would have allowed for Fuel Service Equipment (FSE) owners or their designees to be eligible to generate credits for the MUD sector.⁴ As originally proposed, groups including EVSE providers, building owners, companies (such as Envoy), and other designees would be eligible to generate credits. Staff have communicated that "EDUs are better suited to receive these credits to help support the point of purchase rebates for EVs and infrastructure development in multi-family residences."⁵

Envoy recognizes the LCFS credit management core competency that EDUs possess, and agrees that EDUs are suited to support point-of-purchase rebates programs. Therefore, Envoy generally supports this modification. However, Envoy requests that CARB consider further modification to this provision to ensure that Envoy is able to receive credits, for the following and central reason:

- **Envoy's core business practices align with a diverse array of statewide policy priorities focused on accelerating transportation electrification, car sharing, and equity.**

Envoy is focused on EV fleet deployment and infrastructure development in MUDs, provides direct access to EVs through car sharing, and is investing in the affordable housing sector, DACs, and in low-to-moderate income communities. These practices are consistent with the 2013⁶ and 2016 ZEV Action Plans,⁷ which prioritize car sharing, including the ZEV Action Plan goals focused on accelerating EV and EVSE deployment

³ *The release of credits should be contingent on the ability of the EV fleet mobility service provider to collect all data necessary for claiming and reporting purposes.*

⁴ *Propose Second 15-Day Modifications; Page 50. Website Access: Website Access: <https://www.arb.ca.gov/regact/2018/lcfs/18/15dayatta2.pdf>.*

⁵ *Staff's Suggested Modifications to 2018 Amendments Proposal Low Carbon Fuel Standard Regulation; Staff Slides; Page 33; Website Access: https://www.arb.ca.gov/fuels/lcfs/lcfs_meetings/080818handout.pdf*

⁶ *2013 ZEV Action Plan states the goal to: "Promote privately financed ZEV-based car sharing programs throughout the state." Website Access: [http://opr.ca.gov/docs/Governors_Office_ZEV_Action_Plan_\(02-13\).pdf](http://opr.ca.gov/docs/Governors_Office_ZEV_Action_Plan_(02-13).pdf)*

⁷ *2016 ZEV Action Plan states the goal to "Increase familiarity of ZEVs by promoting ZEV use in car sharing services, rental car opportunities, and carpool and vanpool programs." Website Access: https://www.gov.ca.gov/wp-content/uploads/2017/09/2016_ZEV_Action_Plan.pdf*

in MUDs, DACs, and in support of LMI households.⁸ Envoy's deployment also aligns with the Safeguarding California Plan: 2018 Update, which prioritizes deployment of car sharing in affordable housing developments,⁹ the Clean Energy in Low-Income Multifamily Buildings Action Plan,¹⁰ and the Low-Income Barriers Study, Part B, which recommends (in multiple use cases) the funding of programs that create mobility options, including car sharing.¹¹ Envoy's business model is closely aligned with Governor Brown's direction under Executive Order B-48-18 to state agencies to recommend ways to expand zero-emission vehicle infrastructure through the Low Carbon Fuel Standard Program.¹²

Based on these factors, Envoy requests this consideration. If this provision is modified to allow for our access, Envoy will be emboldened to leverage LCFS credits to expand its EV fleet and infrastructure deployment. If unaddressed, Envoy would be excluded from claiming MUD LCFS credits, despite our vehicle deployment initiatives in these crucial sectors. As such, Envoy requests CARB to further evaluate methods to provide an EV fleet mobility service provision that enables such parties to directly generate and claim credits on behalf of the EV mobility fleets that they are deploying in the MUD sector.

4). Sister Agencies

Envoy is pleased that the Proposed Regulation Amendments include specific references to coordination with its sister agency, the California Public Utility Commission (CPUC),¹³ as the CPUC oversees Investor Owned Utility participation in the LCFS program, and Transportation Network Company (TNC) proceedings. To

⁸ 2016 ZEV Action Plan seeks to: "Make home charging easy to install and use, with a special focus on Multi-Unit Dwellings (MUDs), disadvantaged and low- and moderate-income communities." Website Access: https://www.gov.ca.gov/wp-content/uploads/2017/09/2016_ZEV_Action_Plan.pdf

⁹ Safeguarding California Plan: 2018 Update; Website Access: <http://resources.ca.gov/docs/climate/safeguarding/update2018/safeguarding-california-plan-2018-update.pdf>

¹⁰ Clean Energy in Low-Income Multifamily Buildings Action Plan Draft (Page B-2), states the goal to "coordinate multifamily building projects with the ZEV Investment Commitment, which includes funding for projects installing zero-emission fueling infrastructure and car-sharing programs to increase access to ZEVs for low-income and DACs." And the goal to: "coordinate EV car-sharing programs with new affordable housing developments with EV charging spaces." Website Access:

https://www.google.com/url?sa=t&rct=j&q=&esrc=s&source=web&cd=1&ved=2ahUKEwiBhL6Gm_3cAhVIFjQIHSCMBHcQFjAAegQIAxAC&url=https%3A%2F%2Fefiling.energy.ca.gov%2Fgetdocument.aspx%3Ftn%3D223600&usq=AOvVaw2x5ZVpBYqYZk5hBNBJi4Oy

¹¹ CARB: Low-Income Barriers Study, Part B: Overcoming Barriers to Clean Transportation Access for Low-Income Residents, which recommends (in multiple use cases) the funding of programs that create or expand transformative clean transportation car sharing, ride sharing, bike sharing, vanpooling, micro-transit, and other mobility options; Website Access:

https://www.arb.ca.gov/msprog/transoptions/sb350_final_guidance_document_022118.pdf

¹² Governor Brown's Executive Order B-48-18 requests that state agencies: "Recommend ways to expand zero-emission vehicle infrastructure through the Low Carbon Fuel Standard Program."

¹³ PROPOSED SECOND 15-DAY MODIFICATIONS; Page 48. Website Access:

<https://www.arb.ca.gov/regact/2018/lcfs18/15dayatta2.pdf>

encourage innovative utilization of these funds, which may in turn lower costs while increasing benefits, Envoy encourages CARB/CPUC to leverage proceedings as a forum to further evaluate innovative LCFS funding approaches. This would seem to fit as a potential activity in alignment with Rulemaking 11-03-012, or as an emergent activity within the TNC rulemaking. Recommended topics of discussion in such rulemaking should focus on leveraging LCFS as an innovation accelerator, and should include, and not be limited to, the following:

- Investments focused on accelerating EV adoption in TNCs, such as high-mileage fleets incentives;¹⁴
- Pilot program concept proposals from EDUs, TNCs, and other related stakeholders;
- Investments in mobility options, mobility hubs, and one-stop-shops;
- Infrastructure investments, including collaborative opportunities with the Affordable Housing and Sustainable Communities and Transformative Climate Communities Programs;
- Customer awareness activities, including marketing, education, & outreach; and
- Others.

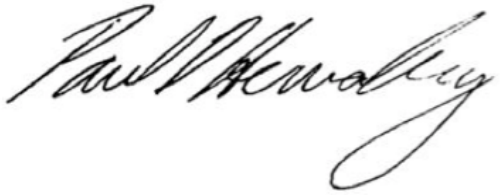
While this rulemaking has been successful, there remain expanded opportunities to develop innovative pilot and program activities and unique use cases for LCFS credits. As such, Envoy encourages CARB/CPUC to work with stakeholders to integrate an LCFS innovation topic into any emergent CPUC rulemaking.

¹⁴ For example, Lyft is seeking to implement an innovative approach to increase the value of LCFS investments by investing in program activities that maximize EV utilization by targeting high-mileage fleets. See: Lyft Comments; RE: Proposed amendments to the low carbon fuel standard regulation and to the regulation on commercialization of alternative diesel fuels - April 27, 2018 Hearing; Website Access: <https://www.arb.ca.gov/lists/com-attach/241-lcfs18-BzUFM1NjWTIAKak5.pdf>

Conclusion

Envoy appreciates the opportunity to provide these comments. Envoy stands in strong support of CARB's leadership on LCFS matters and requests the consideration of our proposed revisions. Please feel free to reach out to Envoy to seek clarifications or with any questions you have regarding these comments.

Sincerely,

A handwritten signature in black ink, appearing to read "Paul Hernandez". The signature is fluid and cursive, with a large loop at the end of the last name.

Paul D. Hernandez
Head of Public Policy & Government Relations
Envoy Technologies Inc.
paul@envoythere.com