**SAN FRANCISCO BAY AREA RAPID TRANSIT DISTRICT**

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February 20, 2024

Chair Liane Randolph and Members of the Board

California Air Resources Board
1001 I Street
Sacramento, CA 95814

RE: Amendments to the LCFS Program

Dear Chair Liane Randolph and Members of the Board,

The San Francisco Bay Area Rapid Transit District (BART) appreciates the opportunity to comment on the proposed amendments to the Low Carbon Fuel Standard (LCFS) program. BART owns and operates an electrified fixed-guideway transit system along with electric vehicle charging at its parking facilities. We have participated in the LCFS as an opt-in entity since 2016 and relies on the revenue created by sales of its LCFS credits to help fund the transit system.

The LCFS program is a powerful tool to meet the state’s climate goals by incentivizing use of fuels with lower carbon intensity and switching to modes of travel such as public transit. The LCFS is one of California’s best instruments to get passengers out of cars and reduce Vehicle Miles Traveled (VMT).

BART runs 220,000 trains a year and operates in five counties (San Francisco, San Mateo, Alameda, Contra Costa, and Santa Clara) with 131 miles of track and 50 stations. The vast majority of BART trains are electric, with 100% of its electricity supplied by zero-carbon resources including solar, wind, and hydroelectric generators. Every weekday of 2022, BART prevented an estimated 40,000 car trips and reduced California greenhouse gas (GHG) emissions by 500,000 lbs. CO2e.

BART appreciates CARB’s efforts to support the price of LCFS credits as transit systems around the country have not recovered from the COVID passenger decline, with the Bay Area being most impacted. BART is coping with severe fiscal issues and relies on the revenue obtained from the sale of LCFS credits. The recent steep decline in credit prices has noticeably impacted BART’s budget, which is still hundreds of millions of dollars in deficit.

We are supportive of most of the amendments issued by CARB staff on December 19, 2023, but one important issue remains unaddressed. BART and several other participants highlighted in written and verbal comments in Fall 2023 that the LCFS crediting process results in a discriminatory approach to electric rail. Namely, pre-2011 fixed guideway systems receive a fraction of the credits compared to post-2010 fixed guideway systems. BART contains a small number of extensions that were built after 2010 and those are granted 4.6 times more credits per kilowatt-hour used than 90% of BART’s system that falls into the pre-2011 category.

This differing treatment is a product of the modeling performed at the beginning of the LCFS program which established a baseline that treated all rail in place at that time as existing, and the rail after as new. New rail was presumed to reduce substantially more VMT than existing rail. However, the reality of an operating train system is that all sections of all-electric rail provide an alternative to driving for passengers. The newer sections of BART rail do not use electricity differently or more efficiently and, as a result, every kilowatt-hour used by the system operates the same as any other. While we understand the original modeling performed, granting different kilowatt-hours different amounts of LCFS credits is not equitable, as nearly all other fuel pathways in the LCFS program do not suffer from this artificial distinction.

Now is the time to remedy this aspect of the LCFS program. Transit systems all over the state are facing severe fiscal issues and the additional LCFS credits could help ameliorate. BART is one of only a few electric transit systems eligible under the program and is by far the largest generator of LCFS credits in that category. And it still receives less than half a percent of the program’s credits, thereby having no discernible impact on credit prices.

We appreciate CARB staff taking time to meet and respond to our questions during this process. As follow up to our last meeting, we recognize the request to identify and demonstrate improved efficiency and reductions in VMT since 2011 and will share with CARB staff shortly.

BART also respectfully requests CARB to reduce the costs of the newly proposed verification system for electric fuel pathways. We recognize the importance of ensuring the legitimacy of LCFS credits but question if the proposed system, with its numerous site visits and annual third-party verifications, could not be simplified. In addition, public agencies like BART have lengthy and burdensome procurement systems and would find it difficult to change auditors every six years.

Public transit is essential to California’s achievement of its climate goals. We urge CARB to establish parity for fixed guideway systems within the LCFS program. We look forward to continuing to work with CARB to help carry out the goals and objectives of the LCFS program.

Sincerely,

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