



A Semptra Energy utility®

# Power Your Drive *for Fleets*

## Earn Revenue for EVs with California's Low Carbon Fuel Standard (LCFS) Program



### What is the Low Carbon Fuel Standard (LCFS) Program?

Since 2009, the California Air Resources Board (CARB) has administered the Low Carbon Fuel Standard, or LCFS, program to help achieve statewide carbon reduction goals by decreasing the transportation sector's carbon intensity 20% by 2030. The LCFS program is a market-based compliance measure that creates economic value from low-carbon and renewable fuel technologies.

### How Do LCFS Credits Work?

The LCFS program works as a market system where users and producers of clean energy, including electric vehicle fleets, earn credits through their emission reductions, while emitters purchase those credits to offset their carbon footprint.

- 1 Producers and users of clean energy earn credits based on the carbon they displaced
- 2 Credits are earned for every metric ton of emissions avoided
- 3 Those credits are sold to regulated emitters that need carbon reductions to remain in compliance with CARB
- 4 Producers and users of clean energy earn revenue from credits sold

### Who Participates?



#### Emitters

Regulated entities, such as importers, producers, and refiners of petroleum fuels, are required to participate.



#### Beneficiaries

Clean energy producers and users can opt into the program to generate credits. This includes electric vehicle fleets.

Want to learn more? Visit [sdge.com/evfleets](https://sdge.com/evfleets)

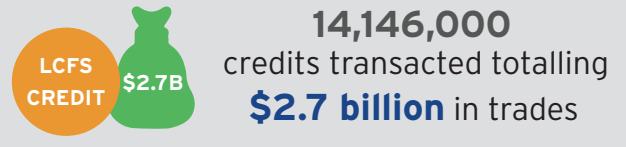
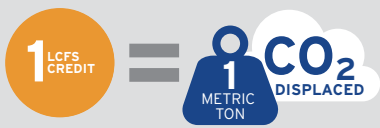
# Why Do EV Fleets Present a Big Opportunity with the LCFS Program?

Most fuels in the LCFS program give credit generation rights to fuel producers. With electricity as a fuel source for EVs, the charging infrastructure owner has the right to generate credits. Therefore, fleets that own and operate chargers to support their EVs can generate credits.

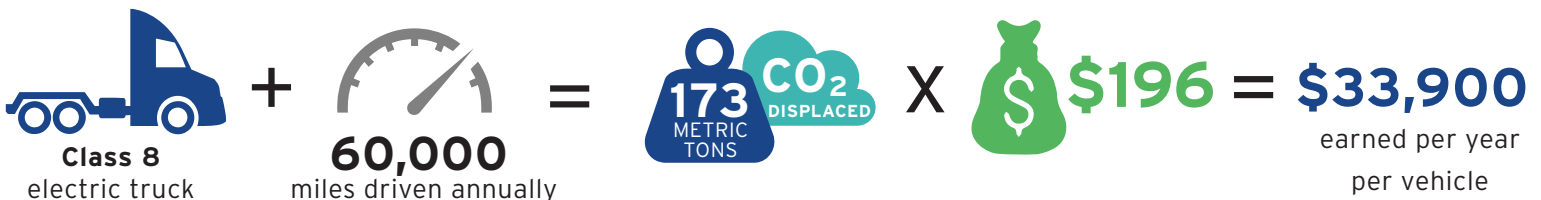
## Earn More with Renewable Energy

- Fleets that strategically use renewable electricity for charging, or purchase renewable energy credits (RECs), can further increase their LCFS revenue streams.
- With renewable electricity, the same Class 8 truck from the example above has the potential to earn **\$41,306 annually**, a 22% increase.

## How Much Were LCFS Credits Worth in 2019?



## What is the Revenue Opportunity for EV Fleets?



**Class 6** + 20,000mi annually = 36 metric tons CO<sub>2</sub> displaced x \$196 = **\$7,100** (electric box truck)



**eTRU** + 40,150 kWh/year = 34 metric tons CO<sub>2</sub> displaced x \$196 = **\$6,700** (Transportation Refrigeration Unit, assumes 110 kWh per eTRU operation in a 24 hour period)



**Forklift** + 2 hrs daily operation = 18 metric tons CO<sub>2</sub> displaced x \$196 = **\$3,500** (5,000 lb capacity, assumes 50 weeks at 5 days/week)



**School bus** + 10,800mi annually = 19 metric tons CO<sub>2</sub> displaced x \$196 = **\$3,700**

Figures above are rounded for ease of calculation and are not meant to be exact.

## Revenues Can Be Used To Offset Costs From:

- EV purchases and maintenance
- Electricity costs
- Charging infrastructure purchases and maintenance
- Administrative fees

**Want to learn more? Visit [sdge.com/evfleets](https://www.sdge.com/evfleets)**

# SDG&E Can Be the Partner to Help You Get Started

A key requirement of the LCFS program is that the electricity used to charge a fleet's EVs must be reported accurately to generate credits, meaning it must be monitored and recorded separately from non-fleet operations, such as buildings or other equipment. This can be accomplished with:

- a **dedicated meter** installed by the utility
- **submeters** installed by the fleet owner
- **smart chargers** that collect and record charger-specific data

**Dedicated meter** installation is part of SDG&E's Power Your Drive for Fleets program.

## LCFS Credit Generation Process

- 1 Fleet registers as Opt-In Entity with CARB
- 2 Fleet registers and maintains list of all charging infrastructure ("Fuel Supply Equipment")
- 3 Fleet reports electricity used for EV charging to CARB
- 4 Reports must be submitted every quarter, even if the amount of electricity used for EV charging is zero
- 5 CARB verifies reports and issues credits within 90 days of the end of each quarter
- 6 Fleet sells credits to regulated emitters, turning credits into cash (the credit value fluctuates based on supply and demand)
- 7 Fleet completes annual report to CARB documenting use of funds



### Start Earning with LCFS

Contact a Customer Solutions Team Member to see how LCFS can support your electric vehicle program at [sdge.com/evfleets](https://sdge.com/evfleets)