



November 21, 2025

The Honorable Liane M. Randolph
Chair
California Air Resources Board
1001 I Street
Sacramento, California 95814

RE: Drive Forward Light-duty Vehicle Program

Chair Randolph:

Americans for Affordable Clean Energy (“AACE”)¹ submits these comments in response to the California Air Resources Board’s (“CARB’s” or the “Agency’s”) October 2025 “Drive Forward Light-Duty Vehicle Program” workshop.² AACE represents several of California’s leading, most sophisticated travel centers and fuel retailers and distributors. These businesses are adept at responding to policy incentives and signals to anticipate consumer demand in new transportation energy technologies. Our members are some of the largest biofuel blenders in the United States, as well as charging station site hosts and network operators. AACE’s members are fuel-agnostic, and have historically supported thoughtful, market-oriented alternative fuel incentive schemes, including the federal Renewable Fuel Standard and a number of elements of California’s Low Carbon Fuel Standard (LCFS) program.

To best accommodate a growing EV market, CARB should adopt vehicle standards that lower carbon emissions in a market-oriented and technology-neutral manner. This novel rulemaking process presents an opportunity for CARB to decarbonize transportation energy without imposing undue burdens on consumers. This, in turn, will make CARB’s scheme more politically durable than past efforts.

CARB’s current electrification timelines are not achievable. They have relied on assumptions that contradict real-world consumer behavior, grid readiness, charging-infrastructure economics, supply-chain realities, and—more recently—the federal policy environment. As a result, continuing to advance unrealistic electrification timelines will force consumers to underwrite the costs of regulatory overreach and ultimately undermine, rather than accelerate, transportation decarbonization.

While AACE supports efforts to reduce transportation emissions and recognize the important role that electric vehicles can play in achieving California’s goals, we urge the Board to

¹ Americans for Affordable Clean Energy (AACE) is a non-profit organization established by several of the country’s leading retail fuel companies to educate policymakers and the public on how to best diversify our nation’s transportation energy portfolio.

² California Air Resources Board, “Drive Forward Light-Duty Vehicle Program: First Public Workshop”(October 21, 2025), https://ww2.arb.ca.gov/sites/default/files/2025_10/2025_10_21_Workshop_Presentation_for_ADA_V5.pdf.

recalibrate its approach in this rulemaking process. The Board now has market – and political – experience with Advanced Clean Cars II that should inform a more realistic regulatory timeline.

AACE respectfully urges CARB to align its updated vehicle regulations to better comport with what the market is prepared to deliver at a price consumers are willing to pay.

I. General Principles for Sound Transportation Decarbonization Policy

The most expeditious and economical way to achieve environmental advancements in transportation energy technology is through market-oriented, consumer-focused policies that encourage fuel retailers to offer more alternatives. Fuel retailers have demonstrated in recent years that they are prepared to invest in any transportation energy technology that Californians desire.

Policies that adhere to the following principles will create new jobs, accelerate the deployment of advanced alternative fuel infrastructure and vehicles, benefit consumers through a competitive and robust marketplace and drive massive economic investment and improvements in air quality:

- Science should be the foundation for transportation climate policies.
- Establish performance goals without mandating specific technologies to allow for the benefits of innovation and technology development.
- Develop competitive market incentives to ensure a level playing field and provide long-term consumer benefits.
- Harness existing infrastructure to help commercialize new technology, maximize diverse investments, and achieve near-term and long-term emission reduction goals.
- Set consistent, uniform state policy so that (i) the market has certainty to help it invest, and (ii) local policies do not create inconsistent or counterproductive measures.

AACE’s membership has made significant investments in EV charging to serve the motoring public.³ We believe our customers will continue to demand electricity as a fuel over the

³ For examples of fuel retailers recent investments in EV charging over the last two years, see Love’s Travel Stops, “Shaping the Next Generation of Travel Stop EV Charging,” August 20, 2024, <https://www.loves.com/news/2024/august/shaping-the-next-generation-of-travel-stop-ev-charging>; Joe Schulz, “Wisconsin’s First Federally-Funded Fast EV Chargers Come Online,” *Wisconsin Public Radio*, January 9, 2025, <https://www.wpr.org/news/wisconsin-first-federally-funded-fast-ev-chargers-online>; “Circle K Breaks Ground With First Kentucky NEVI-Funded EV Charger,” February 21, 2024, https://www.convenience.org/Media/Daily/2024/Feb/21/2-Circle-K-First-Kentucky-NEVI-EV-Charger_Fuel; TravelCenters of America, “TravelCenters of America to Build One of Nation’s First Publicly Accessible Medium- and Heavy-Duty Truck Charging Stations at Ontario, California Travel Center,” July 24, 2024, <https://www.ta-petro.com/newsroom/travelcenters-of-america-to-build-one-of-nation-s-first-publicly-accessible-medium-and-heavy-duty-truck-charging-stations-at-ontario-california-travel-center>; bp pulse, “bp pulse Opens First Charging Site at a TravelCenters of America Site in the US,” January 27, 2025, https://www.bp.com/en_us/united-states/home/news/features-and-highlights/bp-pulse-opens-first-charging-site-at-a-travelcenters-of-america.html; Brett Dworski, “Casey’s Bringing Chargers to C-Stores in 6 States,” *C-Store Dive*, October 24, 2025, <https://www.cstoredive.com/news/caseys-ionna-regarcheries-ev-charging-c-stores/803664>; Jessica Loder, “Wawa Expands EV Charging,” *C-Store Dive*, July 21, 2025, <https://www.cstoredive.com/news/wawa-ionna-ev>

coming years, and we want to be able to sell consumers whatever fuel they want to purchase. We also recognize the need for policies that take a clear-eyed look at all emissions related to the transportation sector and emissions reductions from *all* vehicle technologies. We will achieve the best possible environmental and economic outcomes by allowing different technologies to compete to achieve emissions reductions while providing attractive value propositions to consumers.

II. CARB's Electrification Trajectory Does Not Reflect Market Conditions

AACE's perspective derives from direct, daily interaction with consumers at retail fuel locations across California and nationwide. Fuel retailers' business model requires them to meet consumer demand and provide fuels that consumers want to purchase. Vehicle standards, no matter how well-intentioned, cannot succeed if consumers are unwilling or unable to purchase the vehicles that manufacturers are required to produce. CARB can mandate supply, but it cannot mandate demand.

If charging infrastructure, vehicle and fuel economics, and consumer preferences do not support widespread EV adoption, the status quo will persist. For electrification to succeed at scale, charging stations must be available where and when drivers need them, they must be functional, and the charging experience must be safe, convenient, and affordable.

California's existing fuel retail infrastructure currently satisfies drivers' expectations for transportation energy. Fuel retailers have an astute awareness of consumer expectations because they have spent decades competing with one another to meet those expectations. Fuel outlets in California are strategically positioned where consumer demand is greatest. They compete on price, speed and quality of service, site cleanliness, safety, and amenities. Consumers *demand* these accommodations *regardless of what type of fuel their vehicle uses*. If the EV charging experience in California does not meet these consumer expectations, consumers will not adopt EVs at the scale that the Agency's regulations assume.

Consumers in California and nationwide have demanded increasing quantities of biofuel in recent years, and AACE members have invested in the infrastructure and intellectual capital necessary to accommodate that demand. E15 – which at long last is no longer prohibited in California – and higher ethanol blends are available at thousands of retail locations nationwide and offer immediate emissions reductions using existing vehicles and infrastructure. Renewable diesel and biodiesel similarly provide lower lifecycle carbon intensity without requiring consumers to purchase new vehicles or depend on charging infrastructure. CARB's LD decarbonization goals should reflect emissions reductions from lower-carbon liquid fuels by expediting E15 regulations under SB 1075, complementing long-term electrification goals.

[charging/753492](#); “Jessica Loder, “Sheetz to Add EV ‘Chargers at More Than 50 Stores,” *C-Store Dive*, December 13, 2024, <https://www.cstoredive.com/news/sheetz-ionna-ev-charging-rechargeries/735398>.

a. Productive Policy Solutions

AACE members have invested meaningful resources into analyzing business development opportunities associated with EV charging station investments. This includes not just in physical charging infrastructure, but advocacy for policies that improve the business case of public charging investments. These policies – outlined below – are intended to systemically drive private capital into publicly available, on-the-go fast EV charging services.

First, electricity pricing schemes are incompatible with retail fuel market economics. Retailers with EV chargers are forced to pay electricity prices with substantial demand charges based on peak power draw. There is no mechanism for purchasing electricity at “wholesale” rates comparable to how fuel retailers purchase gasoline and diesel. Adding just two direct current (“DC”) fast chargers to a convenience store typically increases demand charges from under \$1,000 per month to almost \$4,500 per month. Because demand charges are based on peak demand rather than actual utilization, they remain fixed regardless of how often chargers are used. Most chargers currently have very low utilization rates, and this is expected to continue for many years in most markets, meaning the cost per kilowatt-hour delivered is prohibitively high.

Second, in many states, regulated utilities that own and operate charging stations are not subject to demand charges and operate in a guaranteed rate of return environment without putting capital at risk. Retailers cannot compete with utilities under these circumstances. While there is sound policy justification for ratepayers underwriting grid upgrades, there is no public policy rationale for giving utilities competitive advantages over private entities in the market for chargers that consumers use to power their vehicles.

Without competitive private sector participation, the charging network will not achieve the scale, reliability, and consumer-oriented service quality necessary for mass EV adoption. CARB has an opportunity to address these structural barriers rather than simply extending compliance timelines. The Agency should work with the California Public Utilities Commission to eliminate demand charge structures for retail EV charging and prohibit utility ownership of retail charging assets except where private investment is demonstrably unavailable.

b. Additional Barriers

AACE supports policies that achieve emissions reductions through market-oriented mechanisms that allow consumer preferences and competitive forces to guide technology adoption. The Board should establish performance standards that adopt an all-of-the-above approach and allow for improved fuel economy in internal combustion engines, increased penetration of renewable liquid fuels, electrification where market conditions support it, and other innovative technologies. CARB should harness market competition to achieve environmental objectives through *consumer demand* while avoiding the economic dislocations that result from mandating specific technology adoption rates.

Even when charging sites secure financing, lead times for commercial charging infrastructure range from six months to two years or more. Lead times for grid upgrades are

similarly measured in years, not months, and require coordination among multiple entities including utilities, grid operators, and local planning authorities.

CARB must also account for the unprecedented growth in electricity demand from artificial intelligence data centers, which is already directly competing with electric vehicles for strained grid capacity. Beyond infrastructure limitations, CARB must also account for supply chain constraints and other barriers to rapid EV adoption that have become aggravated in recent years. These barriers include, but are not limited to, limited range, uncertain battery aging and resale value, and supply constraints for critical minerals necessary for battery production.

III. Federal Policy Changes Have Fundamentally Altered the Regulatory and Economic Environment

Recent developments at the federal level have materially changed the backdrop against which California's vehicle emissions regulations will exist.⁴ CARB cannot develop a workable regulatory framework for this rulemaking without accounting for these federal policy disruptions and their consequences for vehicle manufacturers, fuel retailers, consumers, and the broader transportation sector.⁵ California policies alone will not drive rapid electrification in the absence of federal support or in the face of federal opposition.

Congress recently eliminated the federal tax credits that provided a key financial impetus for both EV purchases and infrastructure deployment.⁶ This substantially increases the price differential between EVs and comparable internal combustion engine vehicles. CARB's regulatory projections necessarily depend on consumer demand for electric vehicles, and that demand is directly affected by vehicle affordability.

Simultaneously, Congress repealed Section 30C, which provided tax credits for alternative fuel vehicle refueling and recharging property.⁷ This credit was specifically designed to encourage

⁴ In June 2025, the Trump Administration signed Congressional Review Act resolutions revoking the Environmental Protection Agency's ("EPA's") Clean Air Act waivers that had authorized California to enforce Advanced Clean Cars II and Advanced Clean Trucks rules. *See* Statement by the President, White House (June 12, 2025), <https://www.whitehouse.gov/briefings-statements/2025/06/statement-by-the-president/> (signing H.J. Res. 87, 88, and 89 disapproving EPA waivers for California's Advanced Clean Trucks, Advanced Clean Cars II, and Omnibus Low NOx programs).

⁵ EPA is, for the time being, prohibited from approving similar state-specific emissions waivers in the future. *See id.* ("Under the Congressional Review Act, the EPA cannot approve any future waivers that are 'substantially the same' as those disapproved in the joint resolutions.").

⁶ For instance, the repeal of Internal Revenue Code Section 30D eliminated up to \$7,500 in federal tax credits for consumers purchasing new electric vehicles. *See* One Big Beautiful Bill Act, Pub. L. No. 119-21, 139 Stat. 72 (July 4, 2025) (terminating the Clean Vehicle Credit under I.R.C. § 30D for vehicles acquired after September 30, 2025)v.

⁷ *See* One Big Beautiful Bill Act, Pub. L. No. 119-21, 139 Stat. 72 (July 4, 2025) (terminating the Alternative Fuel Vehicle Refueling Property Credit under I.R.C. § 30C for property placed in service after June 30, 2026); *see also* Refueling Infrastructure Tax Credit, Argonne National Laboratory, <https://www.anl.gov/esia/refueling-infrastructure-tax-credit>. Fuel retailers have long advocated for a robust 30C credit and publicly urged lawmakers not to repeal it as part of the One Big Beautiful Bill Act.

private sector investment in EV charging infrastructure by partially offsetting the substantial capital costs associated with installation.⁸ The 30C credit provided a direct financial incentive that helped make these investments economically viable despite the challenging utilization rates and demand charge structures that plague public charging.

The combined effect of these federal policy changes creates a substantially more difficult environment for satisfying ambitious electrification timelines. Private sector infrastructure investments require policy stability and reasonable certainty about future vehicle fleet composition. The current environment provides neither.

Federal policies also affect the economic competitiveness of alternative compliance pathways that could provide near-term emissions reductions. The Renewable Fuel Standard, established by Congress in 2005 and expanded in 2007, has successfully driven displacement of petroleum-based transportation fuels with renewable fuels. The incentive structure Congress created through the RFS has resulted in billions of gallons of renewable fuel being blended into the transportation fuel supply annually alongside the successful implementation of California's Low Carbon Fuel Standard. This demonstrates that well-designed federal policies can achieve substantial emissions reductions by creating economic incentives for private sector actors throughout the value chain to adopt lower-carbon alternatives.

IV. Conclusion

AACE respectfully urges the Agency to recognize that California's vehicle emissions standards, while important, cannot single-handedly drive a nationwide transformation of the transportation sector when the retail fuel industry can and will meet consumer demand through multiple decarbonization pathways. Lower-carbon liquid fuels—including E15, renewable diesel, and biodiesel—offer immediate emissions reductions without forcing unsustainable burdens on consumers. CARB should adjust its regulatory timeline and approach accordingly.

Sincerely,

Americans for Affordable Clean Energy

⁸ See International Council on Clean Transportation, *DC Fast Chargers Cost Approximately \$28,000 to \$140,000 Installed*, cited in *How Much Do Commercial DC Fast Chargers Cost?*, Property Manager Insider (Oct. 22, 2024), <https://propertymanagerinsider.com/how-much-do-commercial-dc-fast-chargers-cost/>; *Commercial EV Charging Station Cost & Installation*, Greenlancer (Oct. 14, 2025), <https://www.greenlancer.com/post/guide-commercial-electric-vehicle-charging-stations> (estimating DC fast charger installation costs of \$80,000 to \$250,000+ per charger)