

SUCCESS STORY

Proterra drives the transition toward clean transportation with market-based incentives



PROTERRA

Founded in Golden, Colorado in 2004, Proterra is a leader in the design and manufacture of zero-emission electric transit vehicles, charging infrastructure, and other electric vehicle technology solutions for heavy-duty applications. To date, Proterra has sold nearly 1,000 electric buses to over 43 states and provinces across the United States and Canada. At the core of its business, Proterra seeks to help transform the transportation industry by shifting away from loud, fossil-fuel powered vehicles, and toward quiet, purpose-built, clean-energy powered electric vehicles. To help enable this transformation, the organization tapped into California's Low Carbon Fuel Standard (LCFS) program. Taking part in the program helps Proterra and its customers generate additional revenue to invest in EV and EV infrastructure manufacturing, and contributes toward the goal of reducing California's transportation fuels by 20% by 2030.

Opportunity

Under California's legislation, organizations that produce or use fuels with a carbon-intensity (CI) lower than the state benchmark, such as biodiesel, RNG, ethanol, and EV charging, can generate LCFS credits. The lower the CI of the fuel, the more LCFS credits can be generated. These LCFS credits are sold into the marketplace to generate revenue. With few exceptions, the credits generated through the LCFS from EV charging are ear-marked for reinvestment into further EV adoption within California's transportation sector.

For Proterra's customers, leveraging the LCFS market has a very clear upside. They are able to lower their operational costs and the total cost of ownership while pursuing long-term sustainability objectives to power their vehicles with electricity as opposed to fossil fuels. However, managing the eligibility and registration process, monthly reporting, program administration, and sale of the credits can be a time-consuming process.



BENEFITS OF PROTERRA'S PROGRAM



Complete management of LCFS program administration



Passive revenue to help subsidize operating costs and total cost of ownership



Build economies of scale by pooling Proterra customer credits together



Reinvestment into additional electric transit vehicles and clean charging infrastructure to accelerate emissions reductions within the transportation sector

How We Helped

In partnership with Proterra, 3Degrees developed a full-service program that allows Proterra's customers to generate revenue through the LCFS and spur additional investment into electric buses and clean charging infrastructure. 3Degrees helps Proterra manage the end-to-end LCFS program administration, from establishing pathway eligibility to quarterly and annual reporting, to implementation of eligible green power, and credit monetization.

The program is designed to build economies of scale by pooling together customers' credits to achieve the highest possible market price. Proterra passes on the credit value to its customers, which lowers their total cost of ownership, driving further investment in EVs and EV infrastructure.

While using grid energy to charge EVs enables LCFS credit generation, using renewable energy, either in the form of on-site renewable power generation or through the use of a renewable energy product backed by Renewable Energy Certificates (RECs), increases credit generation by lowering the CI of the power used for charging to zero. Proterra's partnership with 3Degrees also matches its customers' charging activity with zero-CI renewable energy certificates, allowing them to match 100% of charging with renewable energy while increasing total LCFS credit generation.



Results

It is very early in Proterra's program, however, the benefit of this program to Proterra and its customers is clear and the company's solution is scalable. Revenue generated through the state's incentive program lowers costs for Proterra's customers and allows for further investment in transportation decarbonization. This program provides a solution that benefits all parties while also working to help California meet its carbon reduction target, a triple-win for Proterra, its customers, and the state of California.

3Degrees makes it possible for businesses and their customers to take urgent action on climate change. As a certified B Corporation, we provide renewable energy, transportation decarbonization, and emission reduction solutions to global Fortune 500 companies, utilities, and other organizations that want to join the fight against climate change.



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