Califonia Environmental Protection Agency

Air Resources Board

Low Carbon Fuel Standard Re-Adoption

Refinery Investment Provisions

September 29, 2014

Agenda

- Refinery Investment Provision
- Indirect Land Use Change Values
- Next Steps
Refinery Investment Credit

New Provision: Section 95489

- General requirements
- Calculation of credits
- Application and approval
- Credit review

Section 95489(f)(1)(A) and (B)

GHG emissions reduction project must:

- Be implemented during or after the year 2015 and be approved by the Executive Officer before receiving credit

- Achieve a carbon intensity reduction from the comparison baseline of at least 0.1 gCO$_2$e/MJ
Section 95489(f)(2)

• Calculation methodology for credits

\[ \Delta CO_2e = CO_2e_{pre} - CO_2e_{post} \]

(i.e., difference in emissions from pre-project and post-project)

• Calculations will take into account indirect emissions from imported and exported steam and electricity

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Section 95489(f)(2)

Calculation methodology for credits

\[ Credits_{RIC}^{XD} = \Delta CO_2e \times T \]

\[ T = \left( \frac{Volume^{XD}}{Volume^{Total}} \right) \]

• Credit will be allocated to transportation fuels as a ratio of all refinery products
**Section 95489(f)(3)(A) and (B)**

Application contents and submittal

- Emission reduction calculations
- Engineering drawings or process flow diagrams
- Process-specific data showing that reductions are part of transportation fuel pathway
- Complete list of references

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**Section 95489(f)(3)(C) - (D)**

Application contents and submittal (cont.)

Transmittal letter and CBI designations:

- All applications must include a signed transmittal letter attesting to the veracity of the information in the application
- All applications that contain CBI must:
  - Prominently display in document title and running header “Contains Confidential Business Information”
  - Supply a redacted version of any documents with CBI designations
Section 95489(f)(3)(E) - (F)

Application contents and submittal (cont.)

Submittal process:

• Public disclosure of application not designated as CBI

• Electronic submittal

Section 95489(f)(4)(A)

Application approval process

Timeline:

• Applicant will be notified within 30 calendar days whether the application is complete or incomplete

• Applications deemed incomplete will have up to 180 days from the original submittal date for correct deficiencies
Section 95489(f)(4)(B)

Application approval process (cont.)

Posting for public comment:

- Once an application is deemed complete, it will be posted for public comment.
- Only comments related to the potential factual or methodological errors will be considered.
- Comments will only be accepted for 10 calendar days following posting.

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Section 95489(f)(4)(C)

Application approval process (cont.)

Approval:

- Application meets all requirements: Executive Officer will approve the credit and identify any conditions or recordkeeping requirements.
- Application does not meet all requirements: Applicant will be notified in writing and the basis of the disapproval will be identified.

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## Section 95489(f)(5)

**Credit Review: Every 3 years**

- Resubmittal of data: Failure to do so will result in revocation of credit
- Credit Adjustments: Decrease of 10% or more will trigger an adjustment of the credit
- Credit Cancellation: Carbon intensity from the baseline drops below 0.1 gCO$_2$e/MJ

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### Refinery Investment Credit

**Questions?**
Next Steps

• Feedback due October 13, 2014
• Submit via email to Katrina Sideco at ksideco@arb.ca.gov
• Staff report – Winter 2014
• Board Hearing – Early 2015

Contact Information

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Thank You