Low Carbon Fuel Standard
Re-Adoption

Refinery Investment Provisions

September 29, 2014
Agenda

• Refinery Investment Provision

• Indirect Land Use Change Values

• Next Steps
New Provision: Section 95489

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

September 29, 2014
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
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
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.
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
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
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
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
• **Mike Waugh**, Chief, Transportation Fuels Branch
  (916) 322-6020, mwaugh@arb.ca.gov

• **Elizabeth Scheehle**, Chief, Oil and Gas and GHG Mitigation Branch
  (916) 322-7630, escheel@arb.ca.gov

• **Jim Nyarady**, Manager, Oil and Gas Section
  (916) 322-8273, jnyarady@arb.ca.gov

• **Stephanie Detwiler**, Staff, Oil and Gas Section
  (916) 324-8024, sdetwile@arb.ca.gov
Thank You