Low Carbon Fuel Standard
Proposed Amendments

April 3, 2013

Agenda

• Proposed Draft Regulatory Changes
  – Electricity Credits for Fixed Guideway Transportation and Forklifts
  – LCFS Reporting Tool – Credit Bank and Transfer System
  – Miscellaneous Changes
• Next Steps
• Contact Information

Proposed Draft Regulatory Changes

• Electricity Credits for Fixed Guideway Transportation and Forklifts
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**Electricity Credits Overview**

- Staff concept to include fixed guideway transportation and electric forklifts
- Stakeholder requested alternate approach to include alternative fuels in diesel baseline
  - Method
  - Results
- Requirement for residential metering in 2015

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**Staff Concept to Include Fixed Guideway Transportation and Forklifts in the Regulation**

- Board directed staff (Resolution 11-39) to further evaluate feasibility of generating credits for electricity used in nonroad transportation sources
- Staff is considering adding fixed guideway transportation (electric rail) and electric forklifts to the regulation
- Staff has previously presented a concept to allow these sources to generate credits using a modified credit calculation

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**Alternate Approach of Including Alternative Fuels in the Baseline**

- Stakeholders requested analysis of an alternate approach
- This approach involves adjusting the 2010 baseline by including 2010 alternative fuels use that is not currently in the baseline
- Fixed guideway transportation and electric forklifts (and other sources) can be added to the 2010 baseline
- This approach adjusts the diesel standard and therefore affects the number of deficits and credits generated
Method to Include Alternative Fuels in the Baseline

- CI of diesel is 98.03 gCO$_2$e/MJ
- We adjusted the CI to include 2010 fuel use in:
  - Fixed guideway transportation
  - Electric forklifts
  - Transit natural gas
  - Non-transit natural gas
- Other alternative fuel use could be added, but results would not likely change substantially

Magnitude of Fuel Energy Use (MMJ) in Adjusted Diesel Baseline

Results of Including Alternative Fuels in the Baseline

- Including alternative fuels in the baseline
  - reduces the diesel carbon intensity by 1.1 gCO$_2$e/MJ
  - increases projected annual deficits
- Additional annual deficits on the order of 440,000 MTCO2e/year
- Total fuel pool 2014 deficits increase by 14%
- Total fuel pool 2020 deficits increase by 3%
Results of Including Alternative Fuels in the Baseline

• Staff calculated credits for alternative fuel use under the baseline approach without credit for fuel displacement

• Number of potential credits for fixed guideway transportation under the baseline approach decreases by 1.5% from staff’s original concept

• Number of potential credits for NG fleet under the baseline approach decreases by 4-5% from staff’s original concept

Requirement for Residential Metering in 2015

• Section 95484(b)(3)(C)(1) states that effective January 1, 2015, reporting of electricity dispensed to electric vehicles in residences must be based on direct metering

• Many EVs owners are choosing to charge at residences with no meter

• A robust estimation method has been developed for use by CalETC members

• Staff recommends that the 2015 metering requirement be removed from the regulation

Proposed Draft Regulatory Changes

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• Miscellaneous Changes
**Credit Bank & Transfer System - Update**

**Upcoming Release Status – CBTS**

- Internal ARB User Testing
  - Credit Transfer System
  - Accommodation of Brokers in CBTS
  - Other new functionality

- External User Testing
  - Credit Transfer System
  - Brokers and Regulated Parties

- Target Date for Completion: 4/17/2013
  - Testing w/ system updates

**LCFS Credit Bank & Transfer System (CBTS)**

- Accommodates Brokers in transfers
- Nine different transfer scenarios
  - Non-Blind (4)
  - Seller-Blind (2)
  - Buyer-Blind (2)
  - Double-Blind (1)

- Identifies Carryback Credits

**Other Enhancements**

- Total Obligated Volumes
  - System Checks that the TOV remains positive
  - In operation during quarterly reporting

- Electricity – Annual Reporting
  - Enables upload of documents

- Other enhancements
  - Newly Revised User Guide
  - Improved file upload process
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Clarity When Diesel CI Obligation Passes to Buyer

- CARB diesel CI obligation may be passing on to some diesel marketers/distributors (non-blenders)
- Contrary to regulatory intent
- Not a significant problem at this time
- Review section 95484(a)(2)(B)(4 & 5)
- Goal: Address potential issue while allowing CI obligation transfer to those intending to blend further (e.g., for biodiesel/renewable diesel credits)

Energy Density

- Allowing the use of an alternative energy density value
- Revision to Table 4 and following language
**Credit Transfers**

Revised Section 95488(c)(1)(B)

- “Requirements for Documenting a Proposed Credit Transfer” language to be modified
- Paper-based Credit Transfer Form will be discontinued
- All the required information will be captured online in an eForm

**Credit Disclosure**

- Revision to 95488(e)
- Providing the regulated party the capability to designate whether they would like to buy/sell credits
- Staff be looking into developing an online forum tool through the LRT

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Next Steps

• Comments due April 18, 2013
• Submit via email to Katrina Sideco at ksideco@arb.ca.gov
• Next public workshops/workgroup meetings
  – April 4, 2013: Sustainability
  – April 30, 2013: Low-Energy-Use Refinery Provisions, Enforcement Provisions, iLUC Values
  – May 7, 2013: Amendments Workshop, Crude Oil Individual Refinery Approach, OPGEE
• 45-day comment period begins September 9, 2013
• Board Hearing – October 2013

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Contact Information

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http://www.arb.ca.gov/fuels/lcfs/lcfs.htm

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