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Ms Michelle Buffington
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Via electronic submittal to:

[http://www.arb.ca.gov/lispub/comm2/bcsubform.php?listname=lcfsadvpanmembers-
ws&comm_period=1](http://www.arb.ca.gov/lispub/comm2/bcsubform.php?listname=lcfsadvpanmembers-
ws&comm_period=1) and mbuffing@arb.ca.gov

**Re: Low Carbon Fuel Standard (LCFS) Advisory Panel – Draft Workplan and Topic 5
Outline - ConocoPhillips Comments**

Dear Michelle,

ConocoPhillips appreciates the opportunity to provide comments regarding the *Draft Workplan* and the *Topic 5 Outline* that CARB provided relative to the April 26th meeting. We would also like to comment that we support the “Workflow” as presented by CARB wherein panel members have additional opportunities to provide input regarding the 15 topics (ie, once an outline for a topic is developed and again when the draft whitepaper is written).

Draft Workplan Comments

1) We support the addition of what is now “Topic 14 – High Carbon Intensity Crude Oil (HCICO)” for panel review. As we have previously commented, this is a very significant and critical issue for ConocoPhillips. For the reasons we have previously outlined, we oppose differentiating crude oils and would like to add the following questions to Topic 14 of the workplan:

- Is the HCICO provision achieving its objective?
- Does the HCICO provision incentivize innovation in low carbon fuels?
- What is the net global GHG emission impact?
- How does the HCICO provision influence energy security?
- When will CARB complete compliance mechanisms for HCICO?
- What are CARB’s enforcement provisions for HCICO?
- Does CARB have authority on an international scale to implement HCICO provisions that will provide a level playing field for in-state producers of transportation fuels?

2) As discussed at the two Advisory Panel meetings, many of the topics are inter-related and overlap. One important element for many of the topics is the timeframe used in the analysis. We propose that the timeframe should be “forward-looking” (4 to 5 years) as opposed to merely being a “look-back”. Impacted business must consider future viability and value based on forward looking conditions under which they must operate. Infeasible or overly burdensome and unbalanced regulatory constraints have severe implications to local businesses.

3) We may provide additional specific comments as the topics evolve into the more detailed outlines and subsequent whitepapers.

Topic 5 Outline (Availability and Use of Ultralow Carbon Fuels)

- 1) The draft outline implies a departure from the basic principle of the LCFS. The draft outline mentions additional incentives such as "credit multipliers", "volume mandates" and "other". The LCFS program is in and of itself an incentive program; these additional elements go against the core of the overall LCFS structure.
- 2) The availability and magnitude of potential supplies of ultralow carbon fuels needs to be examined. The availability of a small amount of an ultralow carbon fuel does not ensure that the program is feasible.
- 3) The infrastructure to get ultralow carbon fuels to market must be coupled with a meaningful forecast and review of vehicle availability (BEVs, PHEVs, FCVs, etc).
- 4) The threshold regarding what defines an ultralow carbon fuel is unclear. However, regardless of the threshold, the fuel will be subject to its respective carbon intensity as determined by the Ca GREET model. Perhaps a better term would be "next generation" fuel.
- 5) We may provide additional specific comments once the draft whitepaper is developed.

Please feel free to contact me if you have questions regarding our comments.

Sincerely,

<H. Daniel Sinks>