State of California
AIR RESOURCES BOARD

Third Notice of Public Availability of Modified Text and Availability of Additional Documents

PROPOSED RE-ADOPTION OF THE LOW CARBON FUEL STANDARD

Public Hearing Date: February 19, 2015
First Public Availability Date: June 4, 2015
Deadline for First Public Comment: June 19, 2015
Second Public Availability Date: June 23, 2015
Deadline for Second Public Comment: July 8, 2015
Third Public Availability Date: July 31, 2015
Deadline for Third Public Comment: August 17, 2015

At its February 19, 2015, public hearing the Air Resources Board (ARB or Board) considered staff's proposed sections 95480, 95481, 95482, 95483, 95483.1, 95483.2, 95484, 95485, 95486, 95487, 95488, 95489, 95490, 95491, 95492, 95493, 95494, 95495, 95496, and 95497, Title 17, California Code of Regulations (CCR) to reduce the carbon intensity (CI) of transportation fuels used in California by at least 10 percent by the year 2020. In addition to substantially reducing greenhouse gas emissions from transportation fuels, the Low Carbon Fuel Standard (LCFS) is expected to help diversify the transportation fuels market in California, thereby cutting petroleum dependency and creating a sustainable and growing market for cleaner fuels. The proposed action includes repeal of the existing LCFS regulation (CCR, title 17, sections 95480-95490) in its entirety.

The Board directed the Executive Officer to determine if additional conforming modifications to the regulation were appropriate and to make any proposed modified regulatory language available for public comment, with any additional supporting documents and information, for a period of at least 15 days in accordance with Government Code section 11346.8. The Board further directed the Executive Officer to consider written comments submitted during the public review period and make any further modifications that are appropriate available for public comment for at least 15 days. The Executive Officer was directed to evaluate all comments received during the public comment periods, including comments raising significant environmental issues, and prepare written responses to such comments as required by ARB's certified regulations at California Code of Regulations, title 17, sections 60000-60007 and Government Code section 11346.9(a). The Executive Officer was further directed to present to the Board, at a subsequently scheduled public hearing, staff's written responses to environmental comments and the final environmental analysis for consideration for approval, along with the final regulation for consideration for adoption.

The resolution and all other regulatory documents for this rulemaking are available online at the following ARB website:

http://www.arb.ca.gov/regact/2015/lcfs2015/lcfs2015.htm

The text of the modified regulatory language is shown in Attachment A. The originally proposed regulatory language is shown in ~~strikethrough~~ to indicate deletions. In the originally proposed regulatory language, regular text indicates additions for readability. Deletions and additions to the proposed language that were made public with the June 4th Notice are shown in ~~double strikethrough~~ and double underline format, respectively. Deletions and additions to the proposed language that were made public with the June 23rd Notice are shown in ~~**bold double strikethrough**~~ and **bold double underline** format, respectively. Deletions and additions to the proposed language that are made public for comment with this notice are shown in ~~***italicized bold double strikethrough***~~ and ***italicized bold double underline*** format, respectively.

In the Final Statement of Reasons, staff will respond to comments received on the record during the comment periods. The Administrative Procedure Act requires that staff respond to comments received regarding all changes that are noticed. Therefore, staff will address only comments received during this 15-day comment period that are responsive to this notice, documents added to the record with this notice, or the changes detailed in Attachment A.

The following summary does not include all modifications to correct typographical or grammatical errors, changes in numbering or formatting, or non-substantive revisions made to improve clarity. For a complete account of all modifications in the proposed regulation, please refer to Attachment A.

Summary of Proposed Modifications

To make the proposed regulation more clear, staff is proposing the following changes, none of which is intended to substantively change the proposal.

1. In section 95486(a)(2), staff is proposing to remove the sentence stating that provisional credits may not be used until they are fully recognized. That sentence is not needed given the sentence that follows, and could create confusion.
2. In section 95488(a)(1), staff is proposing to strike subsection (C) because it duplicates subsection (B).
3. In section 95489(a), staff is proposing to add a brief description of added subsection 95489(g) to be consistent with the rest of the section 95489(a) which briefly describes subsections (b) through (f).

Additional Document(s) Added to the Record

A stakeholder has requested the information below. In the interests of fairness and transparency, ARB is choosing to make this information available to all stakeholders and the general public and to allow public comment on this information.

1. CD of datasets assembled by Juan Francisco Rosas-Perez, used in his 2012 dissertation, and referenced by Dr. David Rocke in his report "Statistical Issues Related to the Low Carbon Fuel Standard" which is already in the rulemaking file.
2. Spreadsheet dated 11/13/2014 and titled "Estimate of Electricity Use by ZEVs"

In addition, ARB found two references in the ISOR and its appendices that had been inadvertently omitted from the public rulemaking file available at ARB's offices. Both of these references are publicly available and easily located online based on the information provided in the ISOR and its appendices. This information has been added to the rulemaking file available at ARB's office, and ARB is accepting public comment on this information.

1. Food and Agricultural Policy Research Institute (FAPRI) World Agricultural Outlook, available at http://www.fapri.iastate.edu/outlook/2012/tables/5-Biofuels.pdf (referenced on page B-15 of Appendix B to the ISOR).
2. ARB report, titled "Energy Efficiency and Co-Benefits Assessment of Large Industrial Sources: Refinery Sector Public Report," available at http://www.arb.ca.gov/cc/energyaudits/eeareports/refinery.pdf (referenced on pages II-22 and III-55 of the ISOR).

These documents are available for inspection by contacting Trini Balcazar, Regulations Coordinator, at (916) 445-9564.

Agency Contacts

Inquiries concerning the substance of the proposed regulation may be directed to Samuel Wade, Branch Chief, Transportation Fuels Branch, at (916) 322-8263, or Katrina Sideco, Air Resources Engineer, at (916) 323-1082.

Public Comments

Written comments will only be accepted on the additions identified in this notice and may be submitted by postal mail or electronic mail submittal as follows:

Postal mail: Clerk of the Board, Air Resources Board
1001 I Street, Sacramento, California 95814

Electronic submittal: http://www.arb.ca.gov/lispub/comm/bclist.php

Please note that under the California Public Records Act (Gov. Code § 6250 et seq.), your written and verbal comments, attachments, and associated contact information (e.g., your address, phone, email, etc.) become part of the public record and can be released to the public upon request.

In order to be considered by the Executive Officer, comments must be directed to ARB in one of the two forms described above and received by ARB by 5:00 p.m., on the deadline date for public comment listed at the beginning of this notice. Only comments relating to the above-described additions to the record shall be considered by the Executive Officer.

If you need this document in an alternate format or another language, please contact the Clerk of the Board at (916) 322-5594 or by facsimile at (916) 322-3928 no later than five (5) business days from the release date of this notice. TTY/TDD/Speech to Speech users may dial 711 for the California Relay Service.

Si necesita este documento en un formato alterno u otro idioma, por favor llame a la oficina del Secretario del Consejo de Recursos Atmosféricos al (916) 322-5594 o envíe un fax al (916) 322-3928 no menos de cinco (5) días laborales a partir de la fecha del lanzamiento de este aviso. Para el Servicio Telefónico de California para Personas con Problemas Auditivos, ó de teléfonos TDD pueden marcar al 711.

CALIFORNIA AIR RESOURCES BOARD

Richard W. Corey
Executive Officer

Edith Chang for

Date: July 31, 2015

Attachment

The energy challenge facing California is real. Every Californian needs to take immediate action to reduce energy consumption. For a list of simple ways you can reduce demand and cut your energy costs, see ARB's website at www.arb.ca.gov.