



May 22, 2017

Lex Mitchell
Elizabeth Scheehle
Air Resources Board
1001 I Street Sacramento, CA 95814

Electronic submittal only via: Xuping.Li@arb.ca.gov

RE: RPMG Comments on May 8, 2017 ARB CCS Workshop

Dear Lex and Elizabeth,

We would like to thank you and your staff for taking the time to hold the May 8, 2017 workshop and providing the opportunity for comments on the path forward to incorporating Carbon Capture and Sequestration (CCS) into the Low Carbon Fuel Standard (LCFS). RPMG, Inc. (RPMG) is an active participant in the California fuels marketplace and the LCFS rulemaking process. This informal process to comment on the variety of important and far reaching policy proposals is essential to stakeholders such as ourselves.

RPMG is a biofuel marketing company currently representing our owner and marketing partner ethanol facilities located throughout the Midwest. We support clean transportation fuel policy, including California's LCFS, which diversifies fuel supply, incentivizes innovative technology and advanced renewable fuel selection, creates jobs, and, most importantly, improves the environment. Our track record of providing RPMG members with unparalleled compliance services is a key aspect of our business. RPMG participates in greenhouse gas (GHG) reduction and alternative transportation fuel programs throughout the nation and the world.

Though the Air Resources Board (ARB or Board) is looking to adopt regulatory mechanisms for both the Cap and Trade Regulation (Cap and Trade) and the LCFS, RPMG supports the current emphasis on adopting the necessary provisions of the CCS program in parallel with the upcoming LCFS regulations. CCS under the LCFS has very near-term opportunities that will rely on such mechanisms.

The staff should be commended for issuing a well written and easy to follow Staff Concept paper, as well as, a nice summary document of work done to date. But based on what isn't in the concept paper and from the workshop discussion it is apparent that there are many technical and policy decisions still to be made. RPMG on behalf of its member facilities is looking forward to working through these remaining issues. Below are a few high-level comments on what was presented and discussed.

- RPMG supports the concept of separate Quantification Methodologies (QMs);

- Class VI permitting, via US EPA or delegated programs, is robust and full compliance with such a program should count significantly toward ARB approval. This is especially true for appropriately sited facilities with good geology for storage;
- RPMG agrees that CCS is a very site specific regulatory action, and therefore flexibility should be retained in both QM and Permanence Protocol (PP) such that unnecessary regulatory obstacles are not constructed;
- Using a Risk-Based approach to site analysis is appropriate;
- RPMG believes that with adequate monitoring and verification of a stabilized plume, that post-injection monitoring can be reasonably shorter than the 100-yr standard set by the Cap and Trade Program;
- We would support the inclusion of a simpler prescriptive process option for sites with clearly low-risks;
- The adherence that CCS needs to align with Mandatory Reporting and Verification concepts such as independent third-party review of submitted materials may place projects at risk and/or unnecessary costs. Qualified third-party CCS evaluators without conflict of interest issues may be very difficult to find;
- RPMG appreciates staffs recognition that CCS in LCFS will come from locations outside of California. The Concept Paper wasn't as clear on that acknowledgement; and
- It was noted, that there will need to be additional language outside of the QM and PP in the LCFS regulation. Public coordination of such regulatory language would assist stakeholders more than completely separate regulatory processes (LCFS and CCS PP adoption).

The key to success in ARB's CCS efforts are to strike the right balance between transparency, simplicity and flexibility. RPMG is committed to assisting ARB in finding that balance for the benefit of the program and its participants. We look forward to the continuation of this open and ongoing dialogue.

Sincerely,



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