



Air Resources Board

Low Carbon Fuel Standard Workshop:

Resolution 09-31 Updates

January 20, 2010

Workshop Agenda

- Regulatory Advisory
- Guidelines for New Pathways
- Expert Workgroup
- Sustainability
- Reporting Tool
- Biorefinery Registration
- Provisions for Regulated Parties of Electricity
- Credits for Off-Road Electric Vehicles
- Air Quality Guidance for Siting Biorefineries
- Rulemakings for Fuel Specifications



Feedback Requested

- We request your comments
- Feedback requested by February 5, 2010



3

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Low Carbon Fuel Standard Workshop:

Regulatory Advisory

January 20, 2010

4

LCFS Regulatory Advisory

- A one-time grace period for submittal of the first quarterly reports for the year 2010
- Due date extended from May 31, 2010 to July 1, 2010
- Grace period provided to allow adequate time for reporting
- Reporting tool and supporting documentation expected to be released for beta testing by mid-March 2010



5

Questions/Comments

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6



Low Carbon Fuel Standard Workshop:

Guidelines for New Pathways

January 20, 2010

7

Method 2A/2B Guidelines

- Regulated parties may report the carbon intensities of the fuels they provide using either Method 1 or Method 2
- Method 1:
 - Look up carbon intensities in the LCFS Lookup Tables
 - These contain the carbon intensities of currently approved fuel pathways.
 - One contains gasoline pathways, and the other contains diesel pathways
 - They are included in the LCFS Modified Regulation Order:

(<http://www.arb.ca.gov/regact/2009/lcfs09/lcfs2ndmodtxt.pdf>)



8

Method 2A/2B Guidelines

- Current Lookup Tables contain pathways developed by ARB Staff
- Tables will soon contain pathways developed by fuel providers using Method 2
- Method 2: fuel providers develop new pathways for one of two reasons:
 1. Lookup table contains a reportable pathway, but the carbon intensity is higher than the provider's pathway (Method 2A)
 2. No reportable pathway exists (Method 2B)



Method 2A/2B Guidelines

- In both cases, the fuel provider applies to ARB to have a new pathway added to the lookup table.
- Resolution 09-31 directed the Executive Officer to prepare guidelines to assist regulated parties.
- First draft of guidelines presented for comment at a Workshop on August 5th 2009
- 7 Comment letters received
- Comments received incorporated into a revised draft, available for this workshop



Method 2A/2B Guidelines

- Guideline Contents:
 - I. Introduction*
 - II. Establishing New Fuel Pathways*
 - A. Overview of The Method 2A and 2B Application Processes*
 - B. Method 2A Application Procedures*
 - C. Method 2B Application Procedures*
 - III. Land Use Change and Other Indirect Effect Determination Process*
 - IV. Fuels Deemed to Have Negligible or No Land Use Change or Other Indirect Effects*
 - V. Priority Pathways for Inclusion in the Lookup Table*
 - VI. Future Certification Program*
 - VII. Evaluation of High Carbon Intensity Crude Oils*



11

Method 2A/2B Guidelines Revision Overview

- Section/table on feedstocks with little or no land use change impacts expanded and reorganized
- This Section required by Resolution 09-31
- Additions:
 - Fuels: Biodiesel from tallow and waste, CNG/LNG from sewage digester gas, electricity from appropriate biomass, hydrogen from feedstocks in the table, Fischer-Tropsch from waste, etc.
 - Crops from double & mixed cropping rotations
- Inclusion of some fuels still under consideration: fossil fuels, fuels using fossil fuels for process power, nuclear, hydroelectric



12

Method 2A/2B Guidelines Revision Overview

- Priority pathways to be developed by ARB (for inclusion in the Lookup Table):
 - Selection criteria:
 - Important to State rather than to individual fuel providers (e.g., uses in-state resources and creates in-state employment)
 - Fuels expected to be in relatively wide use
 - Could contribute to carbon intensity reductions over the course of the regulation
 - Likely to receive development support from the Alternative and Renewable Fuel and Vehicle Technology Program (AB 118)
 - Table in the Guidelines document not yet populated



13

Method 2A/2B Guidelines Revision Overview

- Section on screening for high carbon intensity crude oil
- This section required under Resolution 09-31
- Petroleum fuels can use lookup table values if refined from
 - Crudes in the 2006 baseline crude mix or
 - Crudes that are not “high carbon intensity” (More than 15 gCO₂e/MJ for production & transport)
- Fuels not meeting 1st condition must be screened to determine whether they meet the 2nd



14

Method 2A/2B Guidelines Revision Overview

- 3-step crude oil screening process
 - Production process parameters (reservoir depth, flaring rate, API > 20, produced/injected water-to-oil ratio, produced/injected gas-to-oil ratio)
 - Crudes not meeting these criteria will receive more detailed screening
 - Crudes found to be “potentially high-carbon-intensity” will have carbon intensities set via method 2B
 - Will establish whether crude exceeds the 15 gCO₂e/MJ threshold (for production and transport)



15

Method 2A/2B Guidelines Next Steps

- A new draft reflecting the comments received following today’s Workshop will be prepared
 - If few comments are submitted, we will revise and go final
 - If many comments are submitted, we will revise and solicit another round of comments
- Revisions will be made on an ongoing basis to reflect actual pathway approval experience



16

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17

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Low Carbon Fuel Standard Workshop:

Expert Workgroup

January 20, 2010

18

LCFS Expert Workgroup

Resolution 09-31 directed staff to:

- Convene an expert workgroup to assist with land use and indirect effect analysis of transportation fuels
- Coordinate this effort with the U.S. EPA, European Union, and other agencies
- Target strength of the workgroup is about 20 members
- ARB staff (Robert Fletcher) will chair the workgroup (Jim Duffy, co-chair)
- Facilitator from California State University, Sacramento
- Meetings will be public and expected to be webcast



19

Member Selection

- Member solicitation released on September 17, 2009
- 61 applications received
 - Academic Institutes/National Labs: 28
 - Industry: 15
 - Consultants: 11
 - Govt. Agencies: 4
 - Enviro and Other Groups: 3
- 7 organizations sent recommendations
 - BP America, California Grain and Feed Association, Illinois Corn Growers Association, California Department of Food and Agriculture, Biotechnology Industry Organization, and UNICA



20

Member Selection (continued)

- ARB staff in consultation with the CEC staff shortlisted approximately 20 potential members from among 61 applicants
 - A balanced representation of technical expertise
- Government agency representatives



21

Next Steps

- Members are being confirmed
- 1st meeting is tentatively scheduled for February 2010
- Additional meetings will be held every 4-6 weeks
- As appropriate, working subgroups with invited technical advisors to focus on specific topics
 - Subgroups will report back to the core group
- Draft report of findings by mid-October 2010
- Staff report to the Board in December 2010 with regulatory amendments or recommendations, if appropriate



22

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23

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LCFS Sustainability Provisions

Mike Waugh, Manager
Program Assistance Section

January 20, 2010

LCFS Sustainability Provisions

Resolution 09-31 directs staff to:

- Present a sustainability workplan to the Board
- Provide reasonable and appropriate sustainability provisions for LCFS by no later than December 2011
- Work with IFWG, appropriate State agencies, environmental advocates, regulated parties, and other interested stakeholders



25

Draft Sustainability Workplan

- Distributed for comments on December 22, 2009
- Eight pages in length
- General outline
 - Importance of sustainability provisions
 - Key elements
 - Process commitments
 - Proposed schedule



26

Draft Sustainability Workplan (cont.)

- Work with national and international partners
- Regionalize, as appropriate, to address California resources:
 - Forest biomass
 - Water
 - Agriculture



27

Draft Sustainability Workplan (cont.)

A transparent, participatory process to develop sustainability provisions

- Workgroup
- Periodic public workshops



28

What Do We Need?

- Input on the draft Sustainability Workplan
- Thoughts on workgroup
 - Size
 - Meeting frequency
 - Tasks
 - Coordination with other workgroups (CEC)
 - Coordination with international efforts



29

Contact Info and Link

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



30



Low Carbon Fuel Standard Workshop:

Reporting Tool

January 20, 2010

31

LCFS Reporting Tool

- Reporting tool development in progress
 - Currently undergoing ARB internal testing and verification
 - Early February next Beta testing with industry users
 - ARB working with contractor to establish testing environment for industry users
- Working Group meeting January 21, 2010
- Industry User Acceptance Testing to begin in late January to early February
- Tool expected to launch in March



32

Main Log-In Page

Low Carbon Fuel Standard Reporting Tool

Regulated Party Sign On

User Name:

Password:

Login

[Forgot your username or password.](#)

FIRST TIME USERS

If this is your first time using the system, contact your organization's administrator(s).

Each organization must designate administrators who will be responsible for creating and maintaining the organization's profile and user accounts. If you are an administrator, you must do the following to register your organization and users with ARB.

- > Enter Organization and facility details
- > Create user accounts for each user under your organization, including yourself
- > Create user roles and assign role to each user
- > Determine who can view or edit information and who has signatory authority to submit reports

Once a user account is created, give the username and password information to the user. The password can be changed when the user logs in.

[Register Organization and Users](#)

User Account Management

User Profile - Create/Edit User Accounts

User Details

First Name: *

Middle Initial:

Last Name: *

Business Phone:

Mobile Phone:

Email: *

User Role

User Role: Signatory Authority Has digitally certified statement of signatory authority.

Username and Password

User Name: *

Password: *

Confirm Password: *

Save

User Name	Full Name	Role	Signatory Authority	Activate
eLin	eve Lin	Administrator	yes	<input checked="" type="checkbox"/>
testuser02	test nil user2	Reviewer	no	<input checked="" type="checkbox"/>
testuser3	test user5	Reviewer	no	<input type="checkbox"/>
testuser06	test nil user6	Administrator	yes	<input checked="" type="checkbox"/>
testuser07	test nil user7	Contributor	yes	<input checked="" type="checkbox"/>
testuser8	test user8	Contributor	yes	<input checked="" type="checkbox"/>
testuser9	test user9	Contributor	yes	<input checked="" type="checkbox"/>
testuser12	test user12	Administrator	yes	<input checked="" type="checkbox"/>



Organization Profile Management

Home | Organization Profile | User Profile | LCFS Reports | LCFS Credits

Organization Profile Welcome: eve Lin for Eve Gasoline

Organization Profile

Organization Information

Organization Name: * Eve Gasoline
 Address Line1: * 777 Eve Way
 Address Line2:
 City or Province: * San Francisco
 State: * CA
 Zip Code: * 95631
 Country: * United States

Edit

Multiple facilities(optional)
 If your organization has multiple facilities, enter the information here. The LCFS compliance report applies to all facilities under the organization.

Facility Name	Facility Address	City	State	Zip	
			IN		Edit Delete
			KS		Edit Delete
		aa	KY		Edit Delete
test					Edit Delete
			Select a State		Add Cancel



Report Details Page



Report Details

Organization: Eve Gasoline Status: Open
 Reporting Period: Q1,2010 Version: None
Activity: 01

The carbon intensities of the gasoline and diesel standards for 2010 are: Gasoline: 95.61 gCO₂/MJ Diesel: 94.47 gCO₂/MJ

Reported Fuels:

[Add New Fuel](#)

Fuel Accounting Sheet [Import Data](#)

Fuel Name	Fuel Pathway Code	CI (g/MJ)	Physical Pathway Code	EER	Obligated Amount	Units	Credits (MT)	Deficits (MT)
Select a Fuel	Select a Fuel Pathway		Select a Physical	Set	0			

Transaction Details

Start Date	End Date	Transaction Category	Business Partner or Facility ID	(+) Amount	(-) Amount	(0) Amount	Description
mm/dd/yyyy	mm/dd/yyyy	Production	N/A	0	0	0	



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37

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Low Carbon Fuel Standard Workshop:

Biorefinery Registration

January 20, 2010

38

Biofuel Producer Registration

- Biofuel Producers identify carbon intensity and physical pathway based on facility data
- Biofuel producer registration data will be used by regulated parties for LCFS reporting and compliance



39

Biofuel Producer Registration

Registration includes:

- Providing information on plant processes, feedstocks, and co-products
- Choosing carbon intensities from lookup table
- Physical pathway – how fuel gets to California



40

Biofuel Producer Registration

Physical Pathway determination:

- Map showing most likely route for fuel to get to California
- Method of transportation (eg: rail, marine transport, truck)



41

Biofuel Producer Timeline

- Draft form posted - comments due January 25, 2010
- Ongoing registration February – May 2010
- Carbon Intensity and Facility ID on Product Transfer Document
- Regulated parties start reporting July 2010



42

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43

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Low Carbon Fuel Standard Workshop:

***Provisions for Regulated
Parties of Electricity***

January 20, 2010

44

Provisions for Regulated Parties - Electricity

- Regulation language modified in 15 day package
 - require meters if installed
 - allow approved alternative estimation method prior to 2015
- ARB held meetings/workshop with CEC, CPUC, CalETC, third party electricity providers, refiners, utilities, public
- CPUC rulemaking in process
- Status
 - No regulation changes necessary at this time
 - Will evaluate changes needed based on CPUC rulemaking



45

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46



**Low Carbon Fuel Standard
Workshop:**

***Credits for Off-Road Electric
Vehicles***

January 20, 2010

47

Credits for Off-Road Electric Vehicles

- Develop criteria for LCFS credits from off-road electric transportation
 - Forklifts
 - Scrubbers, Sweepers
- Work to date
 - Presentation at August 5, 2009 LCFS workshop
 - Evaluating inventory information
 - Reviewing regulatory and grant program requirements
 - Received information from Industrial Truck Association



48

Off-Road Regulation and Program Review

- Carl Moyer Program eligibility requirements and exclusions
- Large Spark Ignition (LSI) Engine Emission Standards
- LSI Fleet Rules for Forklifts and Non-Forklift Equipment



49

Benefits of LCFS Credits for Off-Road

- Promote use of lower carbon intensity fuels for off-road transportation
- Encourage development and use of electric technologies
- Diversify fuel pool
- Reduce GHG emissions



50

LCFS Credits for Off-Road Electric Vehicles

Forklift Inventory

- ARB OFFROAD estimated inventory (population)
Forklifts
 - 51,280 in 2010
 - 56,060 in 2020



51

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52



**Low Carbon Fuel Standard
Workshop:**

***Air Quality Guidance for
Siting Biorefineries***

January 20, 2010

53

Biorefinery Air Quality Guidance

- Informational, non-regulatory document
- Compilation of lowest emission levels identified for process equipment at biorefineries
- Compilation of references for assessing and mitigating mobile source emissions



54

Report Progress

- Released proposed Report outline
- Formed Workgroup (6 meetings so far)
- Collecting and analyzing information
 - Permits and EIRs
 - Rules and policies
 - Planning documents
 - Emissions testing
 - Vendor guarantees



55

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56



**Low Carbon Fuel Standard
Workshop:**

***Rulemakings for Fuel
Specifications***

January 20, 2010

57

Rulemakings for Fuel Specifications & Standards

- CNG (compressed natural gas)
 - New performance standards (Spring 2010)

- Biodiesel/renewable diesel
 - New fuel specifications (tent. June 2010)

- E85 (gasoline with 85% ethanol)
 - Update existing specifications (tent. June 2010)



58

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59

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60

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Rulemakings for Fuel Specifications – E85	Renee Littaua rlittaua@arb.ca.gov (916) 322-6019



61

Feedback Requested

- We request your comments
- Feedback requested by February 5, 2010



62