



A Little of A Lot: Stimulating Innovation in Fuel Technology Using the Market

**California Air Resources Board
LCFS Policy & Regulatory Workgroup**

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The Goal: Encourage innovation and investment certainty

- Require gasoline blends containing small amounts of advanced low-carbon fuel at several early milestones
 - Qualifying fuels must demonstrate significantly lower carbon intensity, so a little bit of fuel can produce a lot of intensity reduction
- Force demonstration of advanced fuel technology on small scale, then expand to meet 2020 goal.
- Conduct technology reviews at each milestone

A Little of A Lot: Key Benefits



- **Allows Progress Tracking** – Milestones provide an easy way to track progress
- **Offers Investment Certainty** – Firm volume requirements at milestones will provide market certainty
- **Aligns with Normal R&D Cycles** – Allows testing/ demonstration on a smaller scale before scaling up
- **Focuses Investment on New Technology** – Avoids over-investing early in conventional technologies
- **Reduces or Eliminates the Counterproductive “Shuffle”** – Removes incentive for “shuffling” higher vs. marginally lower carbon conventional biofuels in and out of California.