

# Draft Guidance Document for LCFS Pathway Re-certification

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This is a guidance document for the re-adopted Low Carbon Fuel Standard (LCFS) regulation (California Code of Regulations (CCR), title 17, §§ 95480-95497) that was approved by the Board on September 25, 2015. The LCFS regulation order text is located at the LCFS website.<sup>1</sup> The regulation text is not included in this document, but citations to the regulation text are provided for the reader's convenience.

This document is intended to assist alternative fuel producers or providers (referred to as "applicants" in this document) with an existing carbon intensity (CI) value certified under the previous LCFS regulation (originally adopted in 2009 and amended in 2011) using the CA-GREET1.8b model, regarding the process of obtaining an updated pathway CI value (referred to as re-certified CI) calculated using the CA-GREET 2.0 model. This document only provides specific instructions to obtain a re-certified CI but does not provide guidance on using the CA-GREET 2.0 model. Links to all relevant resources are provided.

After reviewing this document, if you have additional questions please contact:

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<sup>1</sup> LCFS Rulemaking website: <http://www.arb.ca.gov/regact/2015/lcfs2015/lcfs2015.htm>

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## What is Pathway Re-certification?

Re-certification is the processes of updating existing carbon intensity (CI) values certified under the previous LCFS regulation and calculated using the CA-GREET 1.8b model to new values calculated using the CA-GREET 2.0 model.<sup>2</sup>

In order to minimize the burden on the applicant and to expedite the transition process, if an applicant's "legacy" pathway qualifies for re-certification, and the applicant requests re-certification, ARB staff will transfer the original application data inputs to the new CA-GREET 2.0 model and generate a re-certified CI. Applicants do not have to upload any new or additional documentation unless requested to do so by ARB staff.

If an applicant registers in the Alternative Fuels Portal (AFP)<sup>3</sup> and submits a re-certification request on or prior to January 31, 2016, the pathway CI will be updated and activated along with other fuels of its type, in a "batch" mode (i.e. all re-certified ethanol CIs will be activated on the same day).

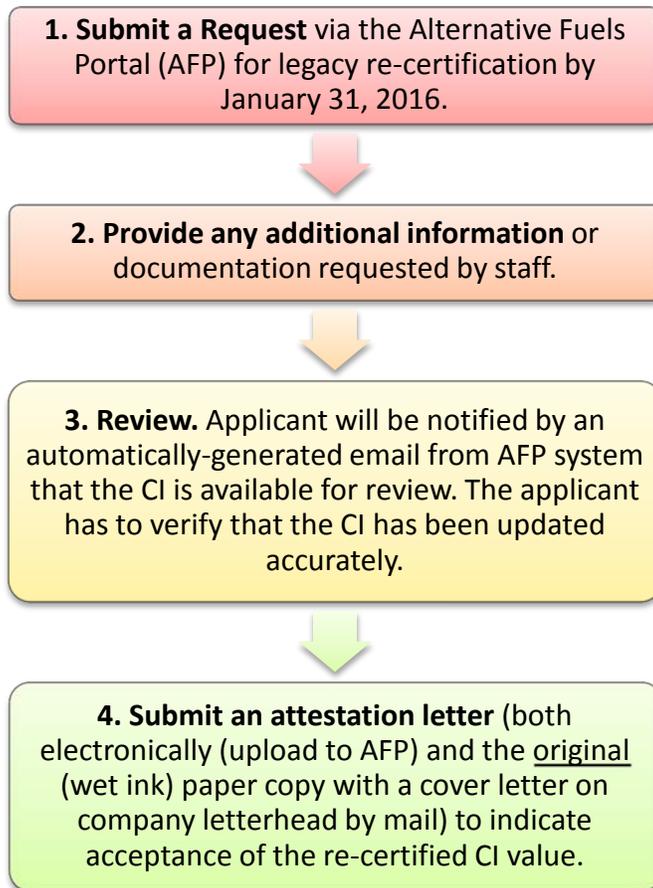
For applications (re-certification and new) received after January 31, 2016, ARB cannot guarantee that such requests will be processed and completed on the same timeline as others of the same fuel type. All legacy CIs that are not re-certified will be deactivated on December 31, 2016. To ensure that an applicant remains eligible to generate credits in 2017, it is strongly recommended that a request be submitted by January 31, 2016.

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<sup>2</sup> Refer to **§ 95488(a)(2)** for regulatory provisions concerning legacy pathway re-certification.

<sup>3</sup> Alternative Fuels Portal website: [www.arb.ca.gov/lcfsrt](http://www.arb.ca.gov/lcfsrt)

## **Pathway Re-certification Process**



**Figure 1. Legacy Pathway Re-certification Process**

Figure 1 provides an overview of the pathway re-certification process. Not all applicants with an existing CI qualify for legacy re-certification, as additional documentation will be required for certain types of existing applications. Refer to Who Qualifies for Pathway Re-certification and Who should not apply for pathway re-certification<sup>4</sup> for assistance in determining whether or not applicants should follow this simple process to re-certify their CI. Applicants with existing CIs who do not qualify for pathway re-certification, and those who wish to make updates or changes to their application, must follow instructions for New Pathway applications in Draft *Guidance Document for LCFS New*

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<sup>4</sup> See Frequently Ask Questions and Guidance Documents in the LCFS Fuel Pathways website: <http://www.arb.ca.gov/fuels/lcfs/fuelpathways/fuelpathways.htm>.

*Pathway Applications*<sup>5</sup> including submittal of all required documentation. The following sections describe each step from Figure 1 in greater detail.

## 1. Submit a Request through AFP

In order to obtain an updated CI value, an applicant must register and submit a Re-certification Request via a new web-based registration system, the Alternative Fuels Portal (AFP)<sup>6</sup> by January 31, 2016 in order to guarantee that the pathway is re-certified by December 31, 2016. Registration via AFP replaces the LCFS application form that previous applicants may be familiar with. Refer to **§ 95488(c)(1)** for a list of all information required to register.

Before registering, applicants need to understand which classification scheme is the most appropriate for their specific fuel pathway (for details on classification scheme, refer to Draft *Guidance Document for LCFS New Pathway Applications*. Do not assume the pathway classification will be the same type as under the previous (originally adopted in 2009 and amended in 2011) LCFS Regulation; i.e., many former Method 2B applicants will be classified as Tier 1 under the re-adopted regulation.

Check the decision tree provided in Figure 2 and examples provided in [Table 1](#) for assistance in navigating the new classification scheme. The Executive Officer will determine the final appropriate classification for re-certification. This decision is final and not subject to appeal. If an applicant disagrees with the Tier or Method determination, the applicant may apply for a New Pathway and receive a full review of supporting evidence. Also, if an applicant wishes to make any changes, updates, or corrections to the original legacy application, then the applicant must submit a New Pathway Application.

To use Figure 2, begin on the leftmost **BROWN** box and identify the pathway type under CA-GREET 1.8b. Then, check the corresponding **BLUE** box which applies to the legacy pathway. This should indicate the new Tier classification (and Method if applicable) for the legacy pathway. Moving to the right, if the choice indicates a box highlighted in **GREEN**, then this pathway CI can be re-certified. If the box highlighted is **ORANGE**, then the applicant has to submit a new application to obtain a new pathway CI. There will be some exceptions and applicants can consult with ARB for guidance. The examples provided in Table 1 also provide guidance in navigating the updated pathway classification scheme.

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<sup>5</sup> Draft Guidance Document for LCFS New Pathway Applications at <http://www.arb.ca.gov/fuels/lcfs/fuelpathways/fuelpathways.htm>

<sup>6</sup> Alternative Fuels Portal website: [www.arb.ca.gov/lcfsrt](http://www.arb.ca.gov/lcfsrt)

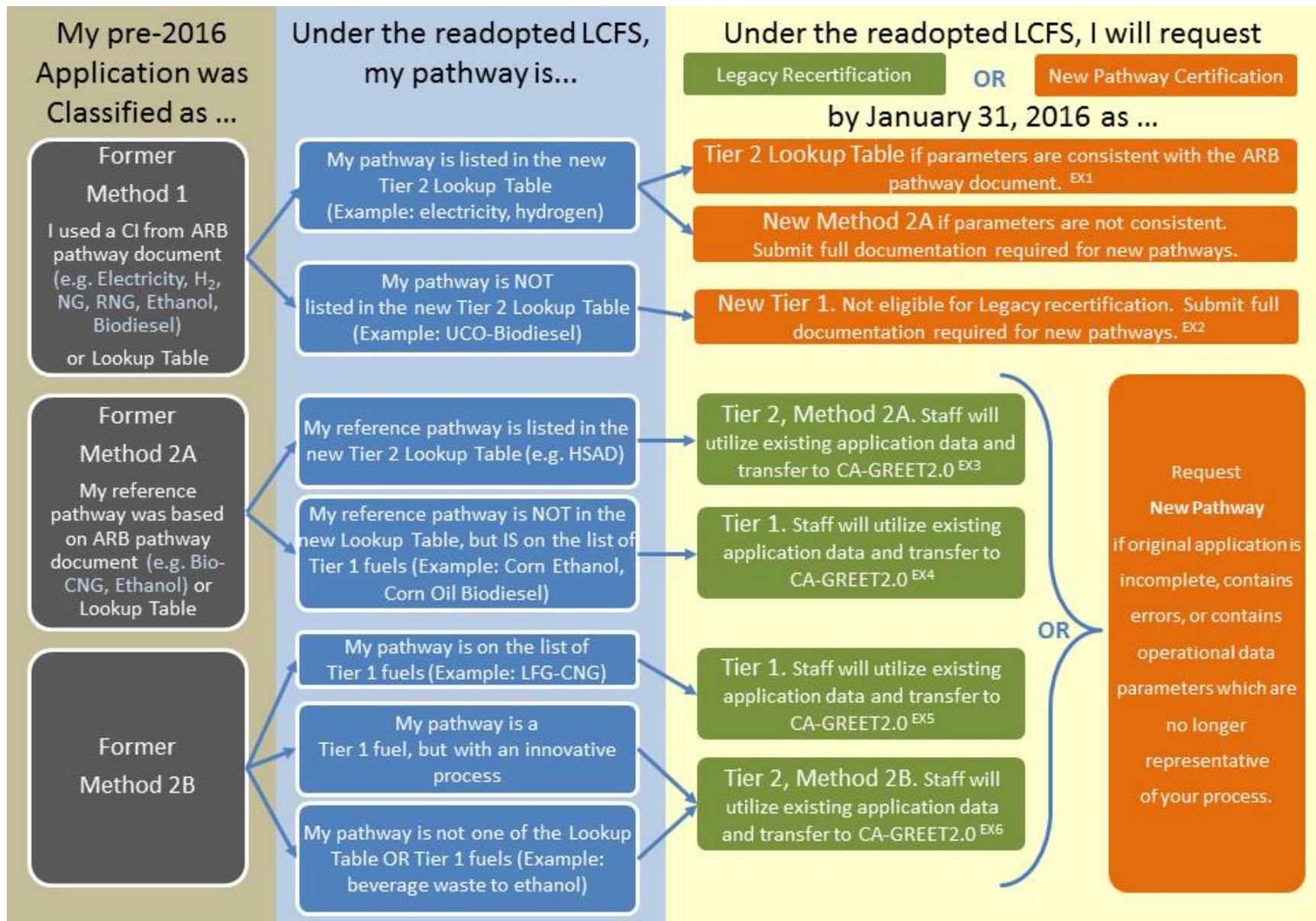


Figure 2. Navigating Re-certification

The examples in Table 1 correspond to scenarios listed in Figure 2 that arrive at each outcome.

**Table 1. Example Pathway Classifications** (referenced in Figure 2)

Example	Description
EX1	Hydrogen pathways. Five hydrogen pathways exist in both the legacy Method 1 and the new Tier 2 Lookup Table. No substantial change was made to the input parameters for these Lookup Table pathways. Therefore, applicants whose pathway qualified for Method 1 using CA-GREET 1.8b may request a new Tier 2 Lookup Table pathway.
EX2	Legacy Method 1 UCO to Biodiesel under CA-GREET 1.8b is not included in the Tier 2 Lookup Table. This is therefore <u>not eligible for re-certification</u> . Applicants must provide energy use and other process parameters for biodiesel production, transport distances for feedstock and fuel, etc. as part of a new Tier 1 application.
EX3	Food and Green Waste to Biomethane pathway. This pathway option is available in Tier 2 Lookup Table with no substantial changes to input parameters. Applicants who previously used the legacy pathway as a reference pathway to calculate their own CI may request re-certification as a Tier 2 pathway.
EX4	Corn Ethanol. Most legacy Method 2A- and 2B applicants will now qualify for re-certification under the Tier 1 classification. A few former Method 2A pathways may have to be re-certified as Tier 2, Method 2B.
EX5	Landfill gas to CNG, LNG or L-CNG under CA-GREET 1.8b. Most of the legacy Method 2A- and 2B pathways will qualify for re-certification under the Tier 1 classification.
EX6	If an original Method 2B pathway application under CA-GREET 1.8b included a unique feedstock or fuel that is not listed in Tier 1, or if it is a Tier 1 fuel produced by an innovative method that cannot readily be calculated using the Tier 1 Calculator, request re-certification as Tier 2 Method 2B.

## 2. Additional Information or Documentation

Pathway applications for re-certification will most likely not require any additional information. However, if ARB requests any new supporting documentation, upload the requested documents via the AFP as soon as possible to avoid delays in re-certification. The Executive Officer may determine, on the basis of information that is found to be lacking, that an applicant must submit a New Pathway application.

### 3. Applicant Review of CA-GREET 2.0 CI Result

Once staff has re-certified a pathway, the applicant will be contacted and presented with a summary. The recertification summary will include:

- a table of inputs to CA-GREET 2.0;
- the CI value determined using CA-GREET 2.0; and
- any other changes.

Applicants will then be given one week (7 calendar days) to review the summary. If an applicant rejects the CI, or staff does not receive a response within seven calendar days, the request for re-certification will be canceled. The applicant's 1.8b CI will remain active through December 31, 2016, when all 1.8b CI values will be deactivated in the LRT-CBTS system. The applicant is free to submit a subsequent New Pathway application but is not guaranteed to receive a new CI prior to December 31, 2016.

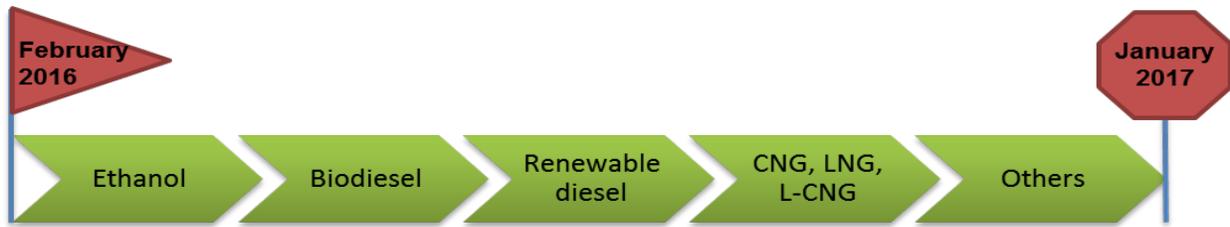
### 4. Submit a New Attestation Letter

This applies to all pathways prior to formal re-certification. The re-certified CI cannot be activated without a new attestation letter to signal acceptance of the value and responsibility for its accuracy. Download the new standard attestation letter template from the AFP (do not reuse your existing attestation); sign, date, and submit electronically via the AFP and mail the original with a cover letter on company letterhead to the address shown below:

Attention: Anil Prabhu, Manager Fuels Evaluation Section Transportation Fuels Branch Air Resources Board 1001 "I" St. – 6 <sup>th</sup> Floor Sacramento, CA 95814
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### Posting of Re-certified CIs

Re-certified pathway CIs (replacing the existing legacy CIs) and new application CIs determined using CA-GREET 2.0 will be posted and will become active for use in credit generation on the same day as all other pathways of the same fuel "batch." This is to eliminate any competitive advantage of having old and new CIs for a particular fuel in use at the same time. The order in which these batches will be released and updated is given in **§ 95488(a)(3)** and shown in Figure 3.



**Figure 3. Order of Priority for Re-certification in 2016**

### **Prospective and Provisional Pathway Re-certification**

Under CA-GREET 1.8b, “prospective” applications were accepted and evaluated solely on the basis of engineering design and without any commercial operational data. However, under the readopted rule prospective applications are no longer accepted. “Provisional” CIs for facilities that have at least one quarter of commercial operational data are allowed under the new rule.

ARB staff have elected to re-certify legacy prospective CIs and keep these values available to existing facilities. All information that was used to certify a CI for such applications will be used to provide a re-certified CI. However, similar to all other provisional pathways under the new rule, when the facility is in commercial operation, the applicant must submit operational data every quarter until they complete the two-year requirement for such information.

If a facility with a legacy prospective or provisional CI was in operation prior to re-adoption (January 1, 2016) but has not yet supplied ARB operational data, the applicant must immediately submit all necessary information both to continue to generate credits in the LRT-CBTS under the legacy pathway and to be eligible for re-certification.

### **Additional information on Re-certification**

#### **Who Qualifies for Legacy Pathway Re-certification?**

You may request Legacy Pathway Recertification if you meet the qualifications listed in **§ 95488(a)(2)** and summarized below:

Producers/providers who:

- have a valid Method 2A/2B CI under the previous Regulation **OR**
- have a valid Method 1 CI if the reference pathway is in the Tier 2 Lookup Table
- have an active fuel pathway code
- documentation submitted previously remains representative of steady-state operations, and
- do not wish to update any parameter values.

### **Who should not apply for Legacy Pathway Re-certification?**

Having an existing CI does not automatically qualify an applicant for legacy pathway re-certification. If any of the following apply to the process, the applicant will not qualify for automatic legacy pathway re-certification.

#### **1. Outdated operational data: Process parameters have changed significantly since the original application was approved.**

If information exists in the current application that is no longer applicable or valid, an applicant should not apply for legacy re-certification. Any change to CA-GREET modeling inputs which could cause the actual CI to exceed the previously certified CI, or a change which requires ARB to review new documentation, means an applicant may not apply for legacy re-certification.

Applicants should refer to the “Table of changes to CA-GREET 1.8b” which was submitted with the original application, and compare those values to recent energy use, fuel yields and other critical parameters to see that the existing values remain representative of the process. The critical test is whether the current operating conditions (and other parameters) would lead to an increase in the CI should the current data be substituted; any change that may cause an increase in the CI above the approved value must be updated by submitting new documentation.

The re-certification period is an opportunity to correct any errors or outdated information. ARB has committed to adopt and implement a regular audit process for verification of user-input parameters; legacy pathways will be a priority for verification.

If an applicant submits corrections to input parameters as a New Pathway applicant during the transition to CA-GREET 2.0, no retroactive credit adjustments will be made. On the other hand, if an audit in the future reveals that inaccurate data was used to re-certify a CI, then ARB may take enforcement action.

Legacy re-certification is strictly limited to applicants whose operational data has not changed and sufficient information has previously been submitted to ARB such that can be readily and accurately transferred from an old model to a new one. If there are

errors or outdated information on file, do not request legacy re-certification, instead submit a New Pathway application.

**2. I'm a former Method 1 applicant, and my reference pathway has been removed from the Lookup Table.**

Most Method 1 applicants certified using CA-GREET 1.8b who do not have a reference pathway in the new Tier 2 Lookup Table (Table 6, **§ 95488(c)(4)(F)**) should plan to submit a New Pathway application. The Tier 2 Lookup Table is not available for most fuels that would fall under Tier 1 treatment.

**How will ARB transfer my input values from my original application into CA-GREET2.0?**

Generally, user-specific values in the original application will be transferred to CA-GREET 2.0, as the applicant had previously attested that those values, including fuel and co-product yields, freight distances, etc. are representative of the applicant's process. There are certain parameters (mainly chemical inputs to fuel production) in CA-GREET 2.0 which did not exist as inputs to CA-GREET 1.8b, and therefore no data pertaining to these parameters was submitted to staff in the original application. In the interest of expediting the re-certification process, staff will utilize default values from CA-GREET 2.0 rather than require submittal of documentation for these inputs.