

California Environmental Protection Agency



Air Resources Board

***Low Carbon Fuel Standard
Re-Adoption***

Refinery Investment Provisions

September 29, 2014

Agenda

- Refinery Investment Provision
- Indirect Land Use Change Values
- Next Steps

Refinery Investment Credit

New Provision: Section 95489

- General requirements
- Calculation of credits
- Application and approval
- Credit review

Section 95489(f)(1)(A) and (B)

GHG emissions reduction project must:

- Be implemented during or after the year 2015 and be approved by the Executive Officer before receiving credit
- Achieve a carbon intensity reduction from the comparison baseline of at least 0.1 gCO₂e/MJ

Section 95489(f)(2)

- Calculation methodology for credits

$$\Delta CO_2e = CO_2e_{pre} - CO_2e_{post}$$

(i.e., difference in emissions from pre-project and post-project)

- Calculations will take into account indirect emissions from imported and exported steam and electricity

Section 95489(f)(2)

Calculation methodology for credits

$$\text{Credits}_{RIC}^{XD} = \Delta CO_2e \times T$$

$$T = \left(\frac{\text{Volume}^{XD}}{\text{Volume}^{Total}} \right)$$

- Credit will be allocated to transportation fuels as a ratio of all refinery products

Section 95489(f)(3)(A) and (B)

Application contents and submittal

- Emission reduction calculations
- Engineering drawings or process flow diagrams
- Process-specific data showing that reductions are part of transportation fuel pathway
- Complete list of references

Section 95489(f)(3)(C) - (D)

Application contents and submittal (cont.)

Transmittal letter and CBI designations:

- All applications must include a signed transmittal letter attesting to the veracity of the information in the application
- All applications that contain CBI must:
 - Prominently display in document title and running header “Contains Confidential Business Information”
 - Supply a redacted version of any documents with CBI designations

Section 95489(f)(3)(E) - (F)

Application contents and submittal (cont.)

Submittal process:

- Public disclosure of application not designated as CBI
- Electronic submittal

Section 95489(f)(4)(A)

Application approval process

Timeline:

- Applicant will be notified within 30 calendar days whether the application is complete or incomplete
- Applications deemed incomplete will have up to 180 days from the original submittal date for correct deficiencies

Section 95489(f)(4)(B)

Application approval process (cont.)

Posting for public comment:

- Once an application is deemed complete, it will be posted for public comment
- Only comments related to the potential factual or methodological errors will be considered
- Comments will only be accepted for 10 calendar days following posting

Section 95489(f)(4)(C)

Application approval process (cont.)

Approval:

- Application meets all requirements: Executive Officer will approve the credit and identify any conditions or recordkeeping requirements
- Application does not meet all requirements: Applicant will be notified in writing and the basis of the disapproval will be identified

Section 95489(f)(5)

Credit Review: Every 3 years

- Resubmittal of data: Failure to do so will result in revocation of credit
- Credit Adjustments: Decrease of 10% or more will trigger an adjustment of the credit
- Credit Cancellation: Carbon intensity from the baseline drops below 0.1 gCO₂e/MJ

Refinery Investment Credit

Questions?

Next Steps

- Feedback due October 13, 2014
- Submit via email to Katrina Sideco at ksideco@arb.ca.gov
- Staff report – Winter 2014
- Board Hearing – Early 2015

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Thank You