



California Independent Petroleum Association
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April 9, 2014

VIA E-MAIL AND REGULAR MAIL

**Re: Comments of the California Independent Petroleum Association on the
Amendments to the Low Carbon Fuel Standard**

Katrina Sideco
California Air Resources Board
1001 I Street
Sacramento Ca, 95814

Dear Katrina:

The California Independent Petroleum Association (CIPA) appreciates the opportunity to submit the following comments to the California Air Resources Board (CARB) for its consideration.

The mission of CIPA is to promote greater understanding and awareness of the unique nature of California's independent oil and natural gas producer and the market place in which he or she operates; highlight the economic contributions made by California independents to local, state and national economies; foster the efficient utilization of California's petroleum resources; promote a balanced approach to resource development and environmental protection and improve business conditions for members of our industry.

The members of CIPA believe that domestic petroleum production already plays a meaningful role in helping the state meet its policy goals for reducing greenhouse gas emissions in California. Staff's newly proposed Innovative Crude Method Provision enable our members the opportunity to create additional carbon intensity reductions within the core program considerations.

Low Carbon Fuel Standard Amendments

The March 7, 2014, Low Carbon Fuel Standard Re-Adoption Concept Paper (Concept Paper) outlines a staff proposal to amend the Innovative Technologies section of the existing Regulation. The proposed changes include:

- awarding the producers of innovative crude the LCFS credits directly;
- including biomass-based steam as an innovative technique;
- including onsite solar, wind, and biomass-based electricity as innovative techniques;
- including carbon capture coupled with carbon dioxide enhanced oil recovery as an innovative technique under certain circumstances;
- removing the minimum threshold of 1.0 g/MJ carbon intensity reduction to qualify as an innovative technique; and
- simplifying the application process and calculation of innovative method credit for solar steam and solar- or wind-based electricity.

CIPA appreciates the staff proposal and believes these changes could provide a substantial impetus for California's in-state producers to include more renewable energy in the production of crude. This package of proposed amendments could positively impact the overall program, and therefore CIPA looks forward to working with CARB on specific regulatory language and associated details.

Thank you for your attention to this important matter. Any questions or follow-up comments can be directed to myself at rock@cipa.org.

Sincerely,



Rock Zierman
CEO