



July 25, 2014

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Ms. Katrina Sideco
California Air Resources Board
Sacramento, California 95814

Re: LCFS Rulemaking July 10, 2014 Discussion Draft Feedback

Dear Ms. Sideco:

Thank you for the opportunity to provide feedback on the LCFS Rulemaking Discussion Drafts released for the LCFS Workshop on July 10, 2014.

The Coalition for Renewable Natural Gas is a non-profit organization representing the renewable natural gas industry. We appreciate the good work CARB staff has put forward in the Refinery and Crude Oil and the Regulated Party discussion drafts. Thank you especially for your presentations on July 10 at the LCFS Workshop, as well as your fine presentations to the Board earlier today providing an update on the LCFS.

Refinery and Crude Oil

The Coalition for Renewable Natural Gas offers our general support for the Refinery and Crude Oil discussion draft. While these provisions fall outside the general scope of topics we would normally engage in, we do so here to highlight particular support for subsection (d) "Credit for Producing Crudes using

Innovative Methods,” and the inclusion of biomass-based steam generation, biomass-based electricity generation, and biomass-based heat generation. We view the inclusion of these innovative crude oil production methods as a potential catalyst for new market opportunities.

Regulated Party Provisions

In general, the Coalition for Renewable Natural Gas supports the Regulated Party Provisions presented in the discussion draft. However, we recommend that staff look to further refine certain definitions, including increasing alignment with new definitions presented in the US EPA’s Renewable Fuel Standard Pathways II Final Rule. We believe this consistency and alignment will bring greater clarity to the LCFS regulation.

Many of the parties who participate in California’s Low Carbon Fuel Standard are also interested parties and stakeholders in the federal Renewable Fuel Standard. On July 2, 2014, US EPA released their approved Pathways II Final Rule which revised the definition of “biogas” and which created new definitions for “renewable CNG” and “renewable LNG” in 40 CFR 80.1401.¹

Specifically, EPA defined these terms as follows:

“Biogas: a mixture of hydrocarbons that is a gas at 60 degrees Fahrenheit and 1 atmosphere of pressure that is produced through the anaerobic digestion of organic matter.”

“Renewable Compressed Natural Gas (“renewable CNG”) means biogas or biogas-derived pipeline quality gas that is compressed for use as transportation fuel.”

“Renewable Liquefied Natural Gas (“renewable LNG”) means biogas or biogas-derived pipeline quality gas that goes through the process of liquefaction in which it is cooled below its boiling point.”

We do not have any significant objection to the definitions presented by CARB or US EPA. The struggle we are having however is that as we work in the various policy arenas, or dialogue with the public about the benefits of these fuels, public policies are lacking a cohesive, common language. Most markets follow the precedent established in California – be it legislation, regulation or definition. As

¹ “Regulation of Fuels and Fuel Additives: RFS Pathways II, and Technical Amendments to the RFS Standards and E15 Misfueling Mitigation Requirements”; EPA-HQ-OAR-2012-0401; FRL-9910-40-ORA; RIN 2060-AR21; July 2, 2014. <http://www.epa.gov/otaq/fuels/renewablefuels/documents/rfs-path-ii-fr-07-02-14.pdf>. Page 48 of 195. (Please note that EPA Administrator, Gina McCarthy, signed the Final Rule on 7/2/14 and has submitted it for publication in the Federal Register. The online document linked above is a pre-publication version and not the official version of the rule.)

such, we believe a few edits to the Regulated Party Provisions' definitions will go a long way to further developing and codifying common industry terminology when speaking about biogas-derived fuels.

We recommend and encourage your consideration of the following definitions. The proposed definitions are based upon your draft discussion, but also incorporate federal regulatory definition language and common industry terminology.

“Biogas” means raw gas derived from the anaerobic decomposition of organic matter. Biogas is a mixture of hydrocarbons that is a gas at 60 degrees Fahrenheit and 1 atmosphere of pressure. Biogas is predominately methane and carbon dioxide and often contains a number of impurities. Biogas can be used as a fuel in boilers and engines to produce electric power. Biogas cannot be directly injected into natural gas pipelines or be used to fuel most natural-gas vehicles unless first upgraded to biomethane.

“Biomethane” means refined biogas that is ultra-low-carbon and has been upgraded to a near-pure methane content. Biomethane is a renewable natural gas with performance characteristics that are equivalent to or better than traditional fossil-based natural gas. Biomethane can be directly injected into natural gas pipelines. Biomethane can be blended with or substitute entirely for fossil natural gas to fuel vehicles, generate useful heat and produce electric power.

“Bio-CNG” means compressed natural gas derived from a biogas feedstock. Bio-CNG may also be referred to as “Renewable-CNG” consistent with 40 CFR 80.1401. Bio-CNG is predominately used as a transportation fuel. Bio-CNG has equivalent or better performance characteristics than CNG. Bio-CNG is expected to have a methane content and LHV that is equivalent to or better than CNG.

“Bio-LNG” means liquefied natural gas derived from a biogas feedstock. Bio-LNG may also be referred to as “Renewable-LNG” consistent with 40 CFR 80.1401. Bio-LNG is predominately used as a transportation fuel. Bio-LNG has equivalent or better performance characteristics than LNG.

On behalf of the Coalition for Renewable Natural Gas, we once again would like to acknowledge the commendable work performed by CARB Staff in preparing the LCFS Rulemaking Discussion Drafts.

To summarize our feedback and position, we lend our support for the inclusion of biomass-based steam generation, biomass-based electricity generation, and biomass-based heat generation under subsection (d) of the Refinery & Crude Oil Provisions.

Respectfully, we also encourage CARB to adopt the definitions we have proposed that build on the definition framework originally provided by Staff, but also incorporate federal regulatory definition language and common industry terminology.

Thank you again for the opportunity to provide feedback on the LCFS Rulemaking Discussion Drafts released for the LCFS Workshop on July 10, 2014.

Sincerely,



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