WSPA Comments on September 29th LCFS Workshop – Refinery Investment Provision

With regard to the Sept. 29th Refinery Investment Provisions workshop, WSPA has two comments to submit:

- With ARB advancing a refinery investment credit provision, any proposal put forth should ensure a level-playing field for all credit generators compared with the 2010 baseline year of the LCFS program. ARB should change the requirement that a refinery greenhouse gas emissions reduction project must be implemented during or after the year 2015 to instead during or after the year 2011, because any greenhouse gas reductions in 2011 or later are real reductions compared to the LCFS program baseline year of 2010. ARB should not automatically disqualify these projects which may have been implemented in the 2011 to 2014 time frame. We are not proposing ARB retroactively grant credits for these 2011 and later refinery projects, but rather allow them to begin generating credits going forward from the time ARB approves the particular refinery investment credit project.

- In proposed section "95489 Provisions for Petroleum-Based Fuels", calculation of credits in 95489(2) includes the term "$Volume^{Total}$ = total volume of product output in bbls (bbl)."

  Our first reaction was to suggest ARB needs to define and explain what "total volume of product output" for a refinery means. Therefore, for this provision of the LCFS, what are refinery "products"?

  However, after careful thought, we would like to keep the approach simple. As an alternative to a potentially complex definition of refinery "products" (e.g. not just finished fuels only but also refinery intermediates requiring further processing at another location? sulfur? butanes? other?), WSPA recommends that ARB change the denominator in the term, "T = percentage of transportation fuel produced" *from* "total volume of product output…" to the "total volume of crude oil supplied to the refinery (bbl)."