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Subject: Ethanol in LCFS - Workshop January 31 - Comments
Date: Tuesday, January 31, 2017 9:36:43 PM

Thank you for putting this together, we learned a lot!

Here are a our written comments:

1. Corn inventory
 - a. Looks great, no changes.
2. Co-product inventory
 - a. Add beginning and ending inventory for all co-products to calculate production.
 - b. Should corn oil yield be added (maybe subtracted from co-product yield calc), if Argon Lab process will be used in future models.
3. Chemical/Yeast/other ingredients
 - a. Agree with using "default" values as long as values are available for review and discussion.
4. Denatured Gallons
 - a. Recommend reporting in undenatured gallons versus denatured. The undenatured could then be normalized to 2.5% denaturant. In this situation, I do not think you would even need to report denaturant inventories.
 - b. The denaturant % will vary slightly with markets, and a facility may be blending at 2.2% vs 2.49%, if this facility is reporting denatured gallons then they will lose some ethanol volume and thus have slight increase in CI. If undenatured is use, small changes in denaturant would not impact CI. ARB would be assuming worst case scenario.
5. Transport Distance (all listed)
 - a. Label that this is average distance. Weighted average.
6. Assumptions
 - a. It would be nice to have a reference component of this sheet.
 - i. For example: LHV of fuels or enzyme factors. May reduce amount of questions later or need to dig into model.
7. Monthly CI calc
 - a. Since the "simplified application form" will be used for verification also, I envision using this sheet for monthly tracking and monitoring of CI. It would be nice if each month CI was calculated as well as 24 month average.
8. Verification
 - a. The verification process seems pretty straight forward and we look forward to more specific guidance. For example:
 - i. What items would need to be verified for credit allocation, i.e., importer or marketer. In the hopes we can take care of these documents at same visit.
 - ii. Assume scanned invoices are appropriate. We could have this all ready for validation.
 - iii. Would recommend following frequency:

1. Onsite verification required at initial pathway certification process.
2. Annual documentation verification by 3rd party.
3. Triannual onsite verification by 3rd party. **this may be able to couple with triannual RINS verification process.

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