

January 31, 2018

Cal/EPA Headquarters Building
1001 "I" Street
Sacramento, California 95814

RE: Comments Regarding Conflict of Interest Provisions in the Draft LCFS Regulation

To Whom It May Concern,

EcoEngineers would like to thank the California Air Resources Board (Referred to as CARB hereafter) for the opportunity to provide feedback on the Low Carbon Fuel Standard (LCFS hereafter) draft regulation, specifically regarding the conflict of interest provisions. We are excited to be a part of the process and have prepared the following comments for your consideration.

Background & Qualifications

EcoEngineers is an EPA approved Q-RIN Quality Assurance Program provider under the Renewable Fuel Standard program and conducts quarterly audits of over 40 domestic and international renewable fuel producers to ensure compliance under federal regulations. In California, we currently provide RIN QAP and LCFS services to several biofuel producers, along with compliance management services, pathway petitions, and other services to the biofuel industry.

EcoEngineers has extensive experience working with the California LCFS program and the CA GREET model. EcoEngineers has a full-time engineer dedicated to modeling fuel pathways in GREET and we have modeled more than 60 pathways using the CA-GREET model (1.8b & 2.0). We have submitted over 70 applications to CARB for registration under the LCFS. EcoEngineers has supported the efforts of biodiesel, renewable diesel, ethanol and biogas industries in California under the LCFS.

Comments on Conflict of Interest Provisions

§95503(b)(2)(A)

- Can you provide a list of what is included in “data [that] is submitted pursuant to this subarticle [§95503] or MRR”?
 - It is our understanding that RIN management systems which are specific to the federal RFS program and QAP verification programs do not trigger a conflict of interest. Please confirm.
 - Would an ongoing Carbon Intensity tracking tool used to monitor a facility’s carbon intensity be considered a conflict of interest?

§95503(b)(2)(H)

- Please clarify this section to specify whether RFS QAP services would be included as a conflict of interest.
 - We are looking for a clarification on this potential conflict of interest as CARB has indicated that providers of Q-RIN services would be able to participate as LCFS verification service providers.
- We intend to provide a unified data request to collect information required for the Q-RIN program and the LCFS verification program. Please confirm if this would be a concern.

§95503(b)(2)(L)

- Please further define the scope of “appraisal services of carbon or GHG liabilities or assets.” As written, the extent of what is considered an appraisal is unclear.

§95503(b)(2)(O)

- Please further define “appraisal and valuation services, both tangible and intangible.” As written, the extent of what is considered an appraisal is unclear.

§95503(b)(2)(U)

- Please provide clarity on what is meant by "advocating the responsible entity’s interests ... in a regulatory or administrative proceeding". Would conducting a 3rd party engineering review under the RFS or securing an air permit for a project be considered advocating a party’s interest in an administrative proceeding?

§95503(c)(2)

- Please confirm how the valuing the work at 20% of verification fees will work in practice. Will the 20% requirement be specific to any services related to verification, or will they apply for the total cost for enrollment in the LCFS verification program?

§95503(c)(3)

- Will all companies be required to disclose non-LCFS verification services to CARB and go through the low risk petition process?

We would like to thank CARB again for the opportunity to provide comments; we look forward to working with staff in supporting their efforts to finalize the proposed regulation. Please let us know if you have any questions about our comments.

Sincerely,

A handwritten signature in black ink, appearing to read "John Sens", is written over a white rectangular background.

John Sens

Regulatory Consultant

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