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To: ARB LCFS Workshop

Subject: 4/17 Discussion Paper/workgroup Meeting - LCFS Crediting Period

Based on the SB 1383:

"(e) No later than January 1, 2018, the state board shall provide guidance on credits generated pursuant to the Low-Carbon Fuel Standard regulations (Subarticle 7 (commencing with Section 95480) of Title 17 of the California Code of Regulations) and the market-based compliance mechanism developed pursuant to Part 5 (commencing with Section 38570) of Division 25.5 from the methane reduction protocols described in the strategy and shall ensure that projects developed before the implementation of regulations adopted pursuant to subdivision (b) receive credit for at least 10 years. Projects shall be eligible for an extension of credits after the first 10 years to the extent allowed by regulations adopted pursuant to the California Global Warming Solutions Act of 2006 (Division 25.5 (commencing with Section 38500))."

After discussions with ARB and others in the RNG industry, it is important that ARB provide some certainty around how long after 10 years projects will be able to generate credits. It is our recommendation that the crediting window last until 10 years from the date of implementation of the dairy and livestock manure management regulations. This would incentivize projects to be developed as quickly as possible to take advantage of a potentially closing window to generate methane offset credits that can be converted to LCFS credits. For example, if the regulation were implemented January 1, 2024, all projects operating prior to January 1, 2024 would be eligible to generate methane offset credits that can be converted to LCFS credits for RNG consumed in California until December 31, 2033.

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