



California Independent Petroleum Association
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**Comments of the California Independent Petroleum Association
on the Proposed Innovative Crude Amendments to the Low Carbon Fuel Standard
Regulations Presented at the June 2, 2016, Workshop**

California Air Resources Board
1001 I Street
Sacramento, CA 95814

June 21, 2016

Via electronic submittal to: LCFSWorkshop@arb.ca.gov

The California Independent Petroleum Association (CIPA) appreciates the opportunity to submit the following comments to the California Air Resources Board (CARB) for its consideration. These informal comments reflect the presentation of staff at the June 2, 2016 Low Carbon Fuel Standard (LCFS) workshop.

The mission of CIPA is to promote greater understanding and awareness of the unique nature of California's independent oil and natural gas producer and the market place in which he or she operates; highlight the economic contributions made by California independents to local, state and national economies; foster the efficient utilization of California's petroleum resources; promote a balanced approach to resource development and environmental protection and improve business conditions for members of our industry. In-state petroleum production can play a role in helping the state meet its dual goals of a strong statewide economy while reducing GHG emissions in California.

CIPA understands the importance of innovative method credits to the Low Carbon Fuel Program and also believes that limiting the volume of crude eligible to generate credits at static 2010 levels would significantly inhibit the program's success. As there is no imminent threat of innovative method credits leading to a flood of high intensity crude in California, the proposed limit would do more harm than good. The technology around innovative methods continues to evolve and placing limits on the credits available to producers is a critical disincentive for investment in those fields. Further, crude market and regulatory dynamics already create a natural means for self-regulation of crude intensity.

CIPA understands that alternatives to a mass-based 2010 baseline are an optional approach. Such an alternative should be pursued. CIPA looks forward to continually working with you to improve these provisions. Thank you for your attention to this important matter. Any questions or follow-up comments can be directed to rock@cipa.org.

Sincerely,

Rock Zierman
CEO