

From: Curtis Wright <CWright@iwpusa.com>
Sent: Monday, August 07, 2017 4:24 PM
To: ARB LCFS Workshop
Subject: Comment on CI calculation

LCFS Workshop August 7, 2017
Comments

1. This comment is regarding Carbon Intensity (CI) of low carbon fuels.

CARB's proposed verification program will require annual CI calculation and submittal, along with third party verification. Since the CI of a fuel is not static, it will continually change over time. The CI rules currently require two years of data for certification. Since the CI will always be changing, and it is in the best interest of the citizens of California to have accurate CI for fuels, I suggest that the CI be based on the trailing two years of data, and never be fixed for more than one year. For example, after submitting two years of data, a CI is certified and can be used to generate credits in LCFS. The following year an annual CI calculation is submitted and verified and becomes the new CI used in LCFS.

If for any reason if the verified CI is higher than the CI used in the previous year's LCFS generation and reporting, then the generator would receive deficits equal to the over- generation for that year. If the CI was lower, there would be no action taken. The generator would get the benefit of using the new lower CI for the coming year.

This annual update of the CI would encourage generators to lower their CI if possible, and would discourage "optimistic" assumptions in the CI calculation or in generation of credits. It would also provide the most accurate CI for fuel and this will help California meet its carbon reduction goals at the lowest cost.

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