



California Independent Petroleum Association
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Comments of the California Independent Petroleum Association
on LCFS Concept Paper and August 7, 2017, Pre-Rulemaking Public Meeting

Mr. Sam Wade
California Air Resources Board
1001 I Street
Sacramento, CA 95814

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

The California Independent Petroleum Association (CIPA) is pleased to submit these comments on the July 24, 2017, Pre-Rulemaking Concept Paper and the August 7, 2017, Pre-Rulemaking Public Meeting presentation.

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 marketplace in which our members operate; 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.

The concept paper, staff presentation, and public meeting discussion (materials) highlighted areas of the rule that staff would like to amend. CIPA's comments are narrowly focused on the Innovative Crude provisions and the OPGEE update.

We support your efforts to improve the Innovative Crude provisions within the existing LCFS program. Specifically, we support the proposed revision to the credit calculation methodology and the additional bins for higher steam quality levels. The inclusion of these additional steam quality bins will more accurately track the enthalpy and emissions per barrel for some California operations. Importantly, the Innovative Crude provisions recognize and credit the potential efficiencies that can be gained in our industry.

CIPA recognizes that the LCFS regulation requires a triennial update of the OPGEE model. With the passage of SB 32 and AB 398, along with the implementation of the Oil and Gas Methane rule and Short-Lived Climate Pollutant strategy, our industry will be subject to significant mandates to reduce GHG emissions. These mandates are part of an overall 40% reduction in GHG emissions for the state. Since almost 40% of California refinery crude is provided by in-state production, CIPA encourages ARB to recognize this emissions trend in future OPGEE

updates. We are still reviewing the most current update, and may request a follow up meeting to dive into more details.

We hope to keep the lines of communication open on these very important issues as this rule progresses from adoption to implementation. Please do not hesitate to reach out to CIPA should you have any questions or if you or your staff would like to discuss these issues further.

Sincerely,

/s/

Rock Zierman
Chief Executive Officer
California Independent Petroleum Association

cc: Jim Duffy