



October 6, 2017

Sam Wade
Chief, Transportation Fuels Branch
California Air Resources Board
By email: LCFSworkshop@arb.ca.gov

Dear Mr. Wade,

Enerkem appreciates the opportunity to submit comments on the proposed amendments to the Low Carbon Fuel Standard (LCFS) regulation.

Enerkem is a leading waste-to-biofuels and chemicals company. We produce clean fuels and green chemicals from non-recyclable municipal solid waste, thus helping diversify energy sources while offering a sustainable alternative to landfilling and incineration. Our facility in Edmonton, Alberta (Canada) is the world's first commercial biorefinery to use municipal solid waste to produce biomethanol and ethanol. In 2016, this facility obtained certification from the International Sustainability and Carbon Certification (ISCC) system for its biomethanol production. In addition, the pioneering facility received a fuel carbon intensity approved in British Columbia of $-54.80\text{gCO}_2\text{e/MJ}$ as part of the province's Low Carbon Fuels Standard. We have recently begun production of cellulosic ethanol at this facility and are awaiting approval of its registration with EPA under the U.S. Renewable Fuel Standard.

We are also currently developing biorefineries in North America and globally, including a project in development in Inver Grove Heights, Minnesota, in partnership with SKB Environmental, a Waste Connections company. This facility would produce a minimum of 20 million gallons of cellulosic ethanol annually from 200,000 tons of non-recyclable, separated municipal solid waste. Enerkem is also in preliminary discussions with municipalities and industrial groups in California to develop non-recyclable municipal solid waste to biofuels facilities in the State.

We commend the California Air Resources Board (ARB) for continuing to pursue reductions in the carbon intensity of the transportation fuel pool used in California and believe that the LCFS is an effective and fair tool for achieving this goal. We applaud the proposal to extend the LCFS program targets for the 2020 to 2030 period, which will create the certainty and stability needed to attract investment in low carbon fuels production. We

support a LCFS target of 18 percent reduction in average transportation fuel carbon intensity compared to a 2010 baseline by 2030 as proposed in the Pre-Rulemaking Concept Paper. Setting ambitious but realistic reductions such as this will help continue stimulating the growth of the low carbon fuels market in California.

Enerkem is also supportive of ARB's introduction of sustainability verification by accredited third party verification/certification bodies. We agree that allowing certification systems approved for the European Renewable Energy Directive (EU RED) to provide LCFS verification services will help ensure a smooth transition when the amended LCFS is implemented in 2019.

Finally, Enerkem is supportive of the creation of the new "design-based" pathway category to allow facilities that are not yet in commercial production to obtain a carbon intensity (CI), which cannot be used to generate credits. This approach will enable facilities in the planning and developments stages to better assess the CI of their future products and consequently their market value. This will help facilities with low carbon fuel pathways attract investment and will have a positive impact on the availability of low carbon fuels.

In conclusion, Enerkem commends ARB for pursuing and strengthening this effective policy for decarbonizing the transportation sector. The LCFS makes California an attractive market for Enerkem's low carbon ethanol and we look forward to providing this low carbon fuel to the California market in the near future and to continuing to explore opportunities to develop low carbon waste-to-fuels projects in the State, bringing further investment and high-quality jobs to California's clean fuels industry.

Thank you for your consideration of these comments,



Marie-Helene Labrie

Senior Vice-President, Government Affairs and Communications