



December 21, 2022

The Honorable Liane Randolph  
Chair California Air Resources Board  
1001 I Street  
Sacramento, CA 95814

**RE: American Biogas Council Comments Regarding Potential Changes to the Low Carbon Fuel Standard**

Dear Chair Randolph,

Thank you for the opportunity to submit comments in response to the November 9, 2022 Public Workshop regarding options for increasing the stringency of carbon intensity reduction targets for 2030 and beyond within the California Low Carbon Fuel Standard (LCFS) and the design of initial scenarios for modelling strategies to achieve CARB goals. The American Biogas Council is the voice of the US biogas industry dedicated to maximizing carbon reduction and economic growth using biogas systems. We represent more than 350 companies in all parts of the biogas supply chain who are leading the way to a better future by maximizing all the positive environmental and economic impacts biogas systems offer when they recycle organic material into renewable energy and soil products.

Biogas systems protect our air, water and soil by recycling organic material, like food waste and manure, into renewable energy and soil products. Biogas systems are at their heart a biological means to capture methane for use as a renewable fuel. This process specifically decreases baseline methane emissions into the atmosphere by converting methane back into carbon dioxide. All of this is an effort to protect our air, water, and soil – crucial parts of the solution to the challenges CARB seeks to address.

It is therefore critical for CARB to continue incentivizing the development of biogas systems such as anaerobic digesters to capture methane emissions and convert organic material into biogas and digestate. Not only is anaerobic digestion an important tool in achieving California's environmental goals and priorities - it also continues to be a critical component of the state's LCFS, and as recent data from CARB has shown, one of the top tools CARB has to reduce these emissions. Biogas systems are equipped to help meet today's emissions goals and will be a vital tool for meeting increasingly stringent targets.

The ABC took particular interest in three questions that arose in last month's Workshop: the importance of raising carbon intensity reduction goals for 2030 and beyond; we considered the three Alternative Scenarios for meeting more robust emissions reduction goals presented by the Board; and we noted with significant concern discussion about changing how Book & Claim is applied under the California LCFS.

Increasing Stringency of Carbon Intensity Targets for 2030 and Beyond

The ABC believes it is very important to substantially increase the stringency of CARB's GHG reduction targets. The intent of a credit system such as California's is to incentivize the replacement of traditional fossil fuels with alternatives that emit significantly fewer harmful gases into the atmosphere. To that end, and in large part due to the successes of California's LCFS, there is a relative oversupply of credits available on the market, which has caused credit prices to drop by approximately 50% since the beginning of 2022.

CARB has wisely identified this as an opportunity to raise the bar on carbon intensity reduction targets. The more difficult, yet attainable LCFS credits are in California, the greater the incentive for advancement in low carbon fuel technology and the more pressure is hoisted upon obligated parties to commit to low carbon fuels. All of this will help California exceed its 2030 CI reduction targets and meet the 90% reduction by 2045 goal.

## Modeling Scenario Comparison

As a result, CARB staff presented three alternative modelling scenarios. In the workshop, The ABC strongly supports Alternative C among the packages presented by CARB for two primary reasons. First, it sets the highest CI stringency target, at 35% reduction by 2030, and would most effectively address near-term concerns about declining credit prices. With expected increases in Electric Vehicle (EV) adoption and a federal crediting system to incentivize the use of renewable electricity derived from biogas slated to begin in 2024 (eRINs), we are confident the supply of domestic biomethane will continue its growth and play a vital role in California's LCFS.

Second, Alternative C maintains the highly effective Book and Claim system that is in place today, instead of adopting a regional plan that undermines the growth of low carbon fuels nationally in an uncertain attempt to boost LCFS credit prices for primarily California companies.

## Book and Claim

We were very troubled to hear CARB's proposal in the workshop that would effectively cut a majority of US companies out of the California LCFS by limiting Book and Claim only to projects connected to the Western Natural Gas network.

California has a well-earned and well-established reputation as the state that acts first on environment and climate matters and thrives in the role of a pace setter on these issues. And though the ABC is pleased to see some states establish their own LCFS programs, there are still too few and California remains the gold standard other states strive to meet. Currently, best practices for some renewable natural gas producers in states that do not have their own LCFS is to participate in the robust California market, essentially converting the RNG they put into an interstate pipeline in their state into California LCFS credits that can be purchased by obligated parties. In this regard, California drives the growth of low carbon fuels nationwide by providing incentives to RNG producers nationwide. Losing access to the California market for non-western RNG producers would be a major setback to national adoption of low carbon fuels.

In addition, while the idea behind limiting Book and Claim to projects on the Western pipeline is to reduce the abundance of credits on the market, thereby increasing credit prices, CARB's proposal to significantly increase CI reduction targets is intended to accomplish the same goal. Thus the limitation on Book and Claim to western projects would disincentivize renewable natural gas production nation-wide in the name of achieving credit pricing goals in California that may already be reached by other means.

## The self-executing ratchet mechanism

CARB included in its November 9<sup>th</sup> workshop and discussion the concept of a self-executing mechanism which would ratchet up or down the CI reduction target under some set of circumstances without the need to go through a full rulemaking process. We found this concept to be an interesting one. While stakeholders need more information on the proposed details, we are in principle, in support of such a mechanism.

## Reductions in carbon intensity for agricultural practices

In the July workshop there was substantial support among stakeholders for CARB to recognize agricultural practices that reduce carbon emissions when calculating the carbon intensity of crop-based biofuels. Stakeholders requested that CARB hold a workshop dedicated to this issue. We agree with this request, and again ask that CARB convene such a workshop after the beginning of the year.

## Inclusion of beef cattle and chicken manure as the type of manure that can generate avoided emissions credits

We have previously requested that the types of manure that can generate avoided emissions credits be expanded to include beef cattle and chicken manure. We reiterate that request. The Livestock Offset Protocol (LOP) uses values from the 2006 Intergovernmental Panel on Climate Change, which includes the applicable values for both beef cattle and chicken manure, along with dairy cattle and swine manure. The LOP was created for a different purpose, i.e., for California Cap & Trade, and was last amended in 2014. It's therefore well overdue for CARB to bring it up to date.

In closing, the ABC continues to be extremely supportive of CARB's priorities in the amendment of California's Low Carbon Fuel Standard and believes that CARB can continue to lead the way by creating well-reasoned policies that will stabilize and

broaden the market, as well as incentivize innovative technologies and crop production practices moving forward. If the ABC can be helpful to CARB in any manner, please let us know.

Sincerely,

A handwritten signature in black ink, appearing to read "Patrick Serfass". The signature is written in a cursive, flowing style with some overlapping letters.

Patrick Serfass  
Executive Director