



ACT

Comments on the LCFS Public Workshop: Concepts and Tools for Compliance Target Modeling

December 2022

Introduction

- ACT is the world's leading provider of market-based sustainability solutions. Since 2009, ACT has become a trusted brand in high-impact climate projects, renewable energy markets, energy efficiency, renewable fuels, and carbon credits. ACT is active in the California LCFS, Oregon OCFP, upcoming WA CFS, as well as the US Federal Renewable Fuels Standard.

ACT would like to take this opportunity to comment on the *Public Workshop: Concepts and Tools for Compliance Target Modeling* held November 9th, 2021.

Biomethane Crediting Context

- ACT appreciates CARB's championing of the goal to incentivize the deployment of methane reduction strategies in order to support meeting California's near-term and 2030 climate targets. However, and in doing so, ACT cautions against the proposed limitations on biomethane contemplated during this workshop. It is feasible that these new conditions could stifle continued investment and stifle technology innovations.
- Considerations:
 - *Phase-down of avoided methane crediting in LCFS at future date*
 - This has always been understood as a contemplation of CARB since the inclusion of avoided methane credits in the Regulation. However, our concern is that Scoping Plan's policy direction for long-term deployment/use of biomethane for hydrogen and the goal of expanding the use of biomethane in non-transportation sectors could be impacted by this phase-down of avoided methane crediting. An updated LCFS CA-GREET Model which doesn't properly account for avoided emissions could impact all end-use cases of biomethane including as a feedstock to produce hydrogen for transportation use in the LCFS or in non-transportation use cases like the CA Renewable Gas Procurement Program (RGPP). Please keep in mind the broader focus of the Scoping Plan and other CARB and CPUC programs, when considering the inconsistency and impact of not accounting for quantifiable avoided emissions in the LCFS.
 - *Align deliverability requirements with other fuels*
 - One goal specified by CARB is the need to avoid stranded assets. The current deliverability guidelines specified in the regulation have spurred investment and more importantly methane reductions across the United States. In consideration of that, it's foreseeable that non-WECC sited dairy and swine RNG projects would be left stranded without policy support. The role of policy support in the continued operation of projects is essential to the additionality of robust environmental markets. ACT asks CARB to appreciate the role the current deliverability requirements have played in investment, avoided emissions, and operation of RNG projects across the US and evaluate the consequences of stranded assets.
- ACT's intention in reviewing and commenting on these clauses is to highlight the conflicting nature of the proposed considerations and the cited goals. Our experience in environmental markets globally leads us to caution against philosophical changes (i.e. emissions calculations and deliverability) in established, landmark regulations.

Conclusion

We thank you for your time and attention to our comments. Please reach out if you would like to discuss further.