

December 21st, 2021

Rajinder Sahota
Deputy Executive Officer

California Air Resources Board
Low Carbon Fuel Standard Program
1001 I St.
Sacramento, CA 95814

Enerkem Comments on the December 7, 2021, LCFS Workshop – Potential Future Changes to the LCFS Program

Dear Ms. Sahota,

Enerkem appreciates the opportunity to submit comments on the potential future changes to the Low Carbon Fuel Standard (LCFS) program. Enerkem applauds California Air Resources Board (CARB) for starting the process now to ensure robust opportunity for stakeholder input. CARB should be proud of creating an unparalleled program that has attracted more than \$10 billion in private sector decarbonization investments with no discernable adverse effects on fuel prices. Global interest in the policy model is a testament to the success of CARB's efforts and represents one of the most promising policy developments toward an effective, efficient, and equitable energy transition.

Enerkem is a leading carbon recycling company that produces low carbon fuels and circular chemicals from non-recyclable municipal solid waste. Our products help diversify energy sources and offer a sustainable alternative to landfilling and incineration. The Enerkem technology is currently at the heart of several other major industrial ventures centered on the production of renewable chemicals from different types of waste:

- In Varennes (Québec, Canada), VCR (Varennes Carbon Recycling), a partnership with Shell, Suncor, Proman, and Investissement Québec, has begun construction of a similar facility using Enerkem's technology and know-how. The project will produce biofuels and renewable chemicals made from non-recyclable residual materials.
- In El Morell (Tarragona, Spain), the Ecoplanta project has recently been preselected by the European Commission Innovation Fund for its contribution to the fight against climate change. A joint venture between Repsol, Enerkem (Canada) and SUEZ Recycling & Recovery Spain, this project is one of only seven preselected among over 300 other large-scale projects submitted from all of Europe. The project will use Enerkem's technology to convert non-recyclable fractions of waste into circular chemicals and advanced biofuels, producing 237 kt/y of methanol in a facility on a petrochemical complex near the port of Tarragona, Spain, and thereby recycling over 70% of the carbon present in the residual waste materials.
- In Rotterdam (Netherlands), the project Waste-to-Jet will use a combination of Enerkem's technology and Shell's Fischer-Tropsch technology to produce Sustainable Aviation Fuel and Recycled Carbon Fuel.



Enerkem fully anticipates that the modeling work from CARB's Scoping Plan will underscore that reaching the state's decarbonization targets will require both faster and deeper cuts in GHG emissions from transportation. CARB sends an important market signal by indicating that the agency is open to adjusting the LCFS targets both pre- and post-2030.

Recent declines in LCFS credit prices are a clear indication that supplies of low-carbon fuels are outpacing demand. Enerkem believes that CARB can and should adjust carbon intensity (CI) targets to take advantage of the opportunity for faster decarbonization. More aggressive CI targets will maintain or slightly increase credit prices and sustain investor confidence that LCFS projects are sound business opportunities for projects that can deliver decarbonization at or below the credit price ceiling.

Finally, Enerkem applauds the concept of requiring greater third-party verification to both increase the confidence in the LCFS market and to reduce the administrative burden on CARB staff.

Thank you for the consideration of our comments, and we look forward to working with CARB staff in the future.

Sincerely,

Maude Lauzon-Gosselin
Manager, Global Regulatory Affairs and ESG
T 514-375-7779

mlauzon@enerkem.com | www.enerkem.com