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December 19, 2022

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

RE: Hexagon Agility Comments in Response to November 9, 2022 Public Workshop on Potential Modifications to the Low Carbon Fuel Standard

Dear Chair Randolph:

On behalf of Hexagon Agility Inc. ("Agility"), I am writing to provide comments to the California Air Resources Board ("CARB") in response to the November 9, 2022 workshop on "Potential Modifications the Low Carbon Fuel Standard" ("Workshop"). As set forth in further detail below, **Agility encourages CARB to adopt an approach that continues to include renewable natural gas ("RNG") as a credit-generating fuel under the Low Carbon Fuel Standard ("LCFS")**. This will allow CARB to maintain the LCFS program's diversity and volume of low-carbon fuel options without imposing arbitrary limits or unexpected policy changes.

As background, Hexagon Agility is the leading global provider of highly engineered and cost-effective compressed natural gas, liquid natural gas and propane fuel systems and Type 4 composite cylinders for medium- and heavy-duty commercial vehicles. Our solutions enable the safe and effective use of natural gas, propane, and hydrogen as transportation fuel. These clean fuels reduce greenhouse gas ("GHG") and other air emissions and save money for fleet operators and their customers. Additionally, Hexagon Purus, a Hexagon Agility affiliate, is a world leading provider of complete vehicle systems and battery packs for hydrogen fuel cell electric and battery electric vehicles including hybrid mobility applications on light, medium, and heavy-duty vehicles, transit buses, ground storage, distribution, maritime, rail, and aerospace.

Hexagon Agility is uniquely situated to offer a neutral prospective on the current clean-energy marketplace. RNG-fueled trucks remain the most widely available option to reduce GHG and NOx emissions and investing in this near-zero technology would make an immediate impact on GHG emissions in our state. RNG technologies are 90 percent cleaner than diesel and, unlike the lack of commercially available electric trucks, RNG fuel systems are readily available to help achieve NOx and toxic emissions reduction goals. While we look forward to the ultimate transition to zero emission vehicles, RNG-operated low NOx trucks should be prominent in CARB's strategies as an immediate pathway to a zero-emission future.

Accordingly, Agility encourages CARB to adopt an approach that continues to include RNG as a credit-generating fuel under the LCFS program, as follows:

- Agility is aligned with the thoughtful comments and concerns expressed by the Coalition for Renewable Natural Gas, the California Natural Gas Vehicle Coalition, and Natural Gas

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Clean air everywhere



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Vehicles of America in their letters submitted on the Workshop. We also join with the many other stakeholders from across various industries to strongly urge CARB to pursue a “do-no-harm” approach for biomethane as it considers “revisions” to the LCFS. **We support staff’s consideration of Alternative C for biomethane, which will maintain the continued use of both “Avoided Methane Credits” and the “Book & Claim” process.**

- Agility opposes any efforts to reduce or restrict RNG production, which will lead to devastating reductions in private investment for new and existing methane reduction projects; instability in the LCFS carbon market; increased GHG and short-lived climate pollutants (“SLCP”) emissions; and threaten the state’s ability to meet its decarbonization goals.

LCFS is a primary driver for the effective and efficient capture and reuse of methane – the world’s second most abundant GHG and a potent SLCP. Therefore, continuous methane emission diversion, regardless of location, should be encouraged. Credits for avoided methane emissions results in market certainty and stability that drives private investment for projects that would otherwise be cost-prohibitive for participants. Without the credits, the state’s ability to achieve the goals and requirements found in both the 2022 Scoping Plan and Senate Bill 1383 will be threatened.

Similarly, the proposed changes to the Book & Claim process would unnecessarily constrain RNG supply in California by restricting its use. Both in-state and out-of-state RNG production is critical to keep up with the growing demand for RNG in all sectors of the economy, including transportation. According to the recently released “Supplemental Workshop FAQ Document,” staff’s assumed increase in RNG supply is directly connected to the incentives fuel production receives under the LCFS. Eliminating that support via the phase out proposed during the Workshop under Alternatives A and B will severely limit supply in the near-term and erase those anticipated production gains in the long term.

- Agility strongly discourages limiting the use of RNG in medium- and heavy-duty (MHD) vehicles today or tomorrow. As described above, the best and highest use for RNG still remains in the HD transportation sector. Diverting RNG use away from transportation will result in continued and even increased exposure to toxic diesel pollution for the state’s most vulnerable populations adjacent to the transportation corridors. Even though RNG can yield significant and beneficial emission reductions in other industry applications, the most effective, immediate use for RNG is in the “hard-to-electrify” MHD transportation sector. This use should be prioritized and any other industry uses should be secondary.

With a majority of California MHD trucks being fueled by higher-emitting diesel, the most immediate way to decarbonize the transportation sector is displace MHD diesel with renewable fuels, and the most readily available option today is RNG. It is the only negative carbon intensity fuel under the LCFS, at -33.36 gCO₂e/MJ for all of 2021 . California must continue to promote the production and use of ALL renewable lower carbon fuels. Lower- and negative carbon fuels, and the vehicles that use them, are critical to state achieving its climate goals.



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We thank you for your consideration of the foregoing comments. Agility appreciates the time and energy CARB has spent developing and evaluating the LCFS program and commends CARB's work towards achieving a goal that is central to Agility's purpose: "clean air everywhere." Please feel free to contact me with any questions.

Best regards,

A handwritten signature in blue ink that reads "Ashley Remillard".

Ashley Remillard
Vice President, Legal and Government Affairs
Hexagon Agility