I recently noticed that one of the potential program changes discussed is to phase out innovative crude production credits.

One broad policy principle noted in the workshop is to “align with long-term statewide climate goals and further incentivize private investment in low carbon fuels.”

The current crediting provisions for refinery investments and innovative crude production do not align with state climate policy.   The tiny incremental improvements in petroleum CI will never get us to carbon neutrality.  Indeed, such provisions may delay our progress to move away from petroleum by propping up an industry that is not only a major carbon emitter, but a resolute opponent since the earliest days of the LCFS.

I also note that there is at least one statute (in the Public Resources Code) that expressly states it is California’s policy to move away from petroleum.  Likewise countless statutorily created programs at CEC and CARB seek to decarbonize our grid, our economy and our transportation on an agressive schedule.  Any incentive at cross purposes with those over-arching, vital goals is simply a bad idea.

Moreover, incentivizing investment in petroleum production and refining diverts investment from the innovation that offers the only hope of truly meeting our goals.

Finally, the petroleum-based crediting adds more pages and more complexity to a program that California hopes (and needs!) other states will adopt.  Most other jurisdictions do not have the administrative infrastructure we do in California, and cannot expect to implement regulations that require too much time and expertise to administer.

Will Brieger