



DTE Biomass Energy, Inc.

November 5, 2020

Richard Corey
Executive Officer

Rajinder Sahota
Division Chief, Industrial Strategies Division

Arpit Soni
Manager, Alternative Fuels Section

California Air Resources Board
1001 I Street
Sacramento, CA 95814

Re: Feedback on Low Carbon Fuel Standard Public Workshop to Discuss Potential Regulation Revisions

Dear Mr. Corey, Ms. Sahota, and Mr. Soni:

DTE Biomass Energy Inc. (DTEBE) appreciates the opportunity to provide written feedback on the public workshop held on October 14-15, 2020, to discuss potential revisions to the Low Carbon Fuel Standard (LCFS). As you are aware, DTEBE is a developer, owner, and operator of 21 renewable energy projects throughout the United States. Our portfolio includes ten Renewable Natural Gas (RNG) projects, which participate in the LCFS market and are expected to deliver over three million MMBtus of RNG to California in 2021.

We appreciate the continued work by CARB to address stakeholder comments and questions about the LCFS program. As CARB considers potential revisions to LCFS regulation, DTEBE requests that the following issues be considered and addressed:

Refinement of the Tier 1 Simplified CI Calculator for Biomethane from Anaerobic Digestion of Dairy and Swine Manure

We commend CARB for considering opportunities to make updates to the calculator. In DTEBE's experience, most dairy RNG projects use Tier 2 applications because the calculator does not reflect common operational realities at the host/sponsor farm. Some simple changes would allow these dairy RNG projects to utilize the Tier 1 calculator. Specifically, the addition of certain functionality in the Tier 1 calculator would allow more widespread use of the Tier 1 calculator. These suggested changes include:

- Add RNG trucking assumptions for all virtual pipeline projects
- Add a capability to adjust fugitive methane assumption to reflect project specific fugitive levels
- Add a capability to report process fuels other than natural gas or electricity (e.g., propane, LNG, etc)

True-up of Credits

We support allowing Tier 1 / Tier 2 fuel pathway holders to request a true-up of credits using the certified CIs for fuel transactions reported using temporary fuel pathway CIs. This will help projects reflect the actual carbon avoidance during the start-up and registration period. We would encourage CARB to consider developing a true up for all dairy RNG projects to capture true verified avoided emissions. Dairy RNG projects have variability in their carbon avoidance because the carbon avoidance is based on external factors such as temperature and herd count. As the LCFS program moves to annual verification of avoided carbon, there will be instances where a project may unexpectedly over or under generate credits based on such an external factor. Allowing dairy RNG projects to true up their credit generation after completing their annual verification will affirm the accuracy of credit generation in the program and ensure these projects are obtaining the full value of their delivered carbon avoidance. DTE would be interested to discuss potential mechanisms to achieve this objective with CARB staff.

Temporary Pathway Applications

We would appreciate additional clarity around the required documentation for Temporary Pathway applications. While we welcome clear guidelines for the documentation required to obtain a Temporary Pathway, the purpose of the Temporary Pathway is to begin delivering avoided carbon as soon as a project starts up, rather than at the end of an 8 to 12 month registration process. Adding a host of additional documentation requirements may only serve to delay this process. We want to emphasize our belief that Temporary Pathways should be easy to obtain, as an onerous process will be an impediment to the growth of GHG abatement projects. While CARB staff may be concerned about fraudulent credit generation, the conservative temporary CI scores, the time limit on utilizing temporary scores, and the in-depth registration process all serve to protect the LCFS program from fraudulent activity. We look forward to reviewing a list of the additional required documentation to obtain a temporary CI score as this should help speed up the process for both CARB and fuel producers.

DTEBE would like to thank CARB staff for their continued work in developing thoughtful amendments for the LCFS program, and for the opportunity to provide feedback. We are excited about the growth in our RNG business and the realization of substantial GHG reductions. Please reach out to me or my colleagues if you have any questions or concerns about these comments.

Sincerely,



Mark Cousino
President
DTE Biomass Energy
425 South Main Street, Suite 201
Ann Arbor, MI 48104
Mark.Cousino@dteenergy.com