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**COMMENTS OF HIF USA
ON
POTENTIAL CHANGES TO THE LOW CARBON FUEL STANDARD**

CARB BOARD MEETING - SEPTEMBER 28, 2023

My name is Shannon Broome. I'm here today on behalf of Highly Innovative Fuels USA (HIF USA), a global eFuels company focused on harnessing renewable energy sources to achieve fuel sector decarbonization. HIF USA is currently developing a large-scale commercially viable facility for generating carbon-neutral fuels that can be used in a number of transportation applications and has submitted an LCFS pathway for its process that is currently awaiting CARB approval.

We appreciate the time and expertise that the CARB staff has devoted both to the LCFS amendment process and to HIF USA's innovative pathway application. HIF USA's focus on eFuel development fully aligns with CARB's mission in the LCFS program to encourage private sector innovation to develop a diverse supply of low-carbon transportation fuels in California. This is why HIF has been an active participant in both the draft Scoping Plan update process last year and in the LCFS update process.

HIF most recently submitted comments encouraging CARB to use the LCFS amendment process to facilitate new and innovative pathway approvals. I am here today to suggest one specific way in which CARB can do this: by amending the LCFS regulations (specifically Section 95482) to ensure that low-carbon intensity methanol is made eligible for LCFS crediting as an opt-in fuel, when sold for use in marine and other specialty transportation applications such as direct methanol fuel cells.

Currently the LCFS regulations provide that transportation fuel used in ocean-going vessels is exempt from regulation, thus low-CI marine transportation fuels would not be eligible for

crediting. The regulations provide, however, that the ocean-going vessel exemption does not apply to shore power provided to vessels at berth, nor to recreational and commercial harbor craft.

HIF USA's process will generate low-CI eMethanol, which can be used as a transportation fuel in marine applications. CARB could incentivize the production and sale of this fuel in California by amending the LCFS regulations to specify (1) that opt-in entities can obtain LCFS credits for low-CI methanol volumes sold for use in marine applications, and/or (2) that the aforementioned exemption in Section 95482(d) does not apply to methanol provided as a transportation fuel for ocean-going vessels.

In a presentation during an LCFS workshop held in July of last year (2022), CARB staff indicated that it was considering the inclusion of methanol as an opt-in fuel for "novel applications," including "commercial harbor craft" under Tier 2 EER-adjusted pathways. Yet, the draft regulatory text issued in February 2023 did not include this proposed change. We encourage CARB to pick this up again, and specify in the forthcoming proposed rule that opt-in entities can obtain credits for low-CI methanol provided as a transportation fuel in marine and other specialty applications.

HIF USA appreciates CARB's forward-thinking approach to transportation fuel decarbonization, and we look forward to continuing to work with CARB staff to obtain approval of HIF's pathway application. Thank you for your time.