



July 5, 2018

Submitted electronically at: <http://www.arb.ca.gov/lispub/comm/bclist.php>

Mr. Samuel Wade
Branch Chief, Transportation Fuels Branch
Industrial Strategies Division
California Air Resources Board
P.O. Box 2815
Sacramento, CA 95812

Re: Airlines for America's Comments on Proposed Modifications to the Proposed Revisions to the Low Carbon Fuel Standard (LCFS) Regulation

Dear Mr. Wade:

Airlines for America® (A4A), the principal trade and service organization of the U.S. airline industry,¹ appreciates the opportunity to provide comments on the California Air Resource Board's (CARB's) proposed modifications under the 15-day notice and comment process to CARB's previously proposed amendments to the Low Carbon Fuel Standard (LCFS) regulation. As we noted in our previous comments,² A4A and its member airlines strongly support the inclusion of alternative jet fuel (AJF) as an eligible credit-generating fuel on an opt-in basis. In addition, we strongly support the modifications CARB has now proposed to the carbon intensity values for jet fuel in Section 95484(d) of the LCFS regulations because they more reasonably reflect the carbon emissions associated with this fuel and accord it similar treatment to diesel fuel over time. This will help provide needed regulatory incentives for AJF, which in turn will support the developing California advanced biofuels industry, lower the cost of compliance for obligated parties, and advance the State's environmental goals.

In our comments on the LCFS revisions CARB originally proposed, A4A detailed the reasons why the decreasing carbon intensity benchmarks for jet fuel were unreasonably aggressive, both as a technical and policy matter. We greatly appreciate CARB's consideration of and response to those comments. While A4A still believes CARB would be justified in using a fully static carbon intensity benchmark for jet fuel as we noted in our original comments, we support CARB's proposal in Section 95484(d) of the LCFS regulations to adopt a baseline for jet fuel that will remain static until 2023, when the diesel carbon intensity benchmark reaches the jet fuel baseline, at which time the jet fuel carbon intensity benchmarks will be adjusted in parity with the diesel carbon intensity benchmarks. As A4A explained in our earlier comments, not

¹ A4A's members are: Alaska Airlines, Inc.; American Airlines Group; Atlas Air, Inc.; Federal Express Corporation; Hawaiian Airlines; JetBlue Airways Corp.; Southwest Airlines Co.; United Continental Holdings, Inc.; and United Parcel Service Co. Air Canada, Inc. is an associate member.

² We incorporate our previous comments, "Comments on the 2018 Amendments to the Low Carbon Fuel Standard" (April 23, 2018), by reference here.

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only is this approach supportable as a technical matter, it will help incentivize AJF production, which will in turn stimulate additional renewable diesel production as diesel is necessarily coproduced with AJF, often with diesel in a much higher ratio. At the same time, this approach addresses CARB's preference that AJF not command a greater LCFS credit than renewable diesel or otherwise incentivize AJF at the expense of renewable diesel. As explained in our comments on the original proposal, even with crediting parity for AJF and renewable diesel under the LCFS, renewable diesel will continue to maintain a significant market advantage over AJF due to various State and federal policy structures and fuel production factors.

In sum, the approach CARB has proposed for AJF to be eligible as a credit-generating fuel under the LCFS and the carbon intensity curve now proposed for jet fuel will help incentivize AJF production, lower LCFS compliance costs and advance the State's environmental goals, while not only preserving but further enhancing renewable diesel production. Accordingly, we strongly support CARB's proposal and urge CARB to adopt it.

Thank you for your consideration. Please do not hesitate to contact me if you have any questions regarding our comments.

Sincerely yours,

A handwritten signature in black ink, appearing to read "Nancy N. Young", followed by a checkmark.

Nancy N. Young
Vice President, Environmental Affairs