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July 05, 2018

Clerk of the Board, California Air Resources Board
1001 I Street, Sacramento, CA, 95814
Via Electronic Submittal at: <https://www.arb.ca.gov/lispub/comm/bclist.php>

Re: June 20, 2018 Hearing Action and Supplemental 15-day Notices, on the proposed amendments to the Low Carbon Fuel Standard Regulation

To the California Air Resources Board:

Carbon Engineering (CE) is pleased to submit comments on the modified text and additional documents for the proposed amendments to the Low Carbon Fuel Standard.

CE is a technology proponent that has developed and demonstrated “direct air capture” technology capable of removing carbon dioxide from atmospheric air and delivering it in a pure compressed stream suitable for injection or use in production of transportation fuels with low life-cycle carbon intensities. CE plans to deploy facilities that will supply California’s market with drop-in compatible transportation fuels with ultra-low life-cycle carbon intensities.

Carbon Engineering greatly appreciates the on-going efforts of ARB in operating the Low Carbon Fuel Standard, and recent efforts to develop and implement the CCS Protocol. The California LCFS is a leading example of how effective regulation can drive emissions reductions while accelerating economic growth and preserving affordability of energy products for citizens. The LCFS and the CCS Protocol form an essential market for technologies like CE’s to scale up and become mainstream.

Carbon Engineering is currently evaluating project opportunities that involve use of atmospheric CO₂ in direct synthesis of liquid fuels, and opportunities that involve underground injection of CO₂ to generate LCFS credits or produce innovative crude. In the latter case, CE has noted hesitance on behalf of oilfield operators and market incumbents to engage in sequestration projects due to various specific measures in the CCS Protocol, most of which have been highlighted by other stakeholders¹².

CE encourages ARB to continue engagement with existing obligated parties, academic experts, and NGO’s to resolve these concerns and create a CCS Protocol that enables efficient compliance while preserving the integrity and safety of CO₂ injection projects. Successful resolution is key to green-lighting projects like CE’s that can deliver high volumes of emissions reduction and credit generation within the LCFS system.

Sincerely,

A handwritten signature in blue ink, appearing to read 'Geoffrey Holmes'.

Geoffrey Holmes
Director, Regulatory Engagement
Carbon Engineering
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¹ https://www.arb.ca.gov/fuels/lcfs/workshops/12042017_nrdc.pdf

² https://www.arb.ca.gov/fuels/lcfs/workshops/12042017_coalition.pdf