



Comments of AECA Amendments to LCFS Regulation

The Agricultural Energy Consumers Association (AECA) appreciates the opportunity to comment again on the revised Proposed Amendments to the Low Carbon Fuel Standard (LCFS) Regulation. AECA represents the collective energy interests of the state's leading agricultural associations, including farmers and dairy producers. AECA also represents the leading dairy digester developers in California. As stated in previous comments, the LCFS Program is critical to successful implementation of CARB's SLCP Strategy and the desired reduction in dairy methane emissions.

AECA appreciates and supports recent revisions to the proposed LCFS amendments that adequately address some of our initial comments and concerns, including the following:

- 1) Extension of environmental attribute claims from two to three calendar quarters
- 2) Allowance for a temporary CI for dairy biomethane at -150
- 3) Development of a Tier 1 pathway calculation for dairy biomethane

AECA offers the following comments on the revised proposed amendments:

1) Regulatory Compliance

AECA continues to recommend specific language be included in the amendments to clarify regulatory compliance requirements. Specifically clarifying that LCFS Requirements do not include regulatory compliance requirements (or by an appropriate reference to the Manure Management Operations Crediting Document) is an important consideration for informing project risk and capital sources.

2) Additional Crediting Period

Senate Bill 1383 specifically directs CARB to adopt mechanisms and programs to spur dairy methane reduction opportunities in order to meet the state's ambitious methane reduction goals. AECA continues to strongly recommend that the proposed LCFS amendments specify that dairy biomethane projects be allowed one additional 10-year crediting period following any adopted dairy methane capture regulations. Specifying a second allowable crediting period will ensure the stable, long-term revenue streams needed by pipeline biomethane projects will be available to ensure long-term project viability.

In conclusion, AECA appreciates the opportunity to offer these additional comments and looks forward to working with staff to ensure these issues are adequately addressed.