

November 2, 2020

Richard Corey, Executive Officer
Rajinder Sahota, Industrial Strategies Division Chief
California Air Resources Board
1001 I Street
Sacramento, CA 95812

(Letter submitted electronically as Comment to LCFS Public Workshop)

RE: Request to Address Alternative Jet Fuel Crediting in LCFS Rulemaking

Dear Mr. Corey and Mr. Sahota,

This letter is submitted by Los Angeles World Airport (LAWA) on behalf of the San Francisco International Airport's (SFO) Sustainable Aviation Fuel (SAF) Coalition, which is comprised of airlines, airports, conventional and alternative aviation fuel producers, and other nonprofit and government partners. Many members of our coalition participated in the last major Low Carbon Fuel Standard (LCFS) rulemaking and supported the inclusion of alternative jet fuel (AJF) in the LCFS on an opt-in basis. We thank the California Air Resources Board (CARB) for this decision, and subsequent rulemaking that has enabled new commitments for AJF production and significant AJF uplift in California. It has also secured California's position as a global policy leader and market as the most competitive for AJF in 2020. Our letter today seeks CARB's support to expand its current incentives for AJF under LCFS, a request separately detailed by the Sustainable Aviation Fuel Producer Group, through Graham Noyes, to ensure California can continue to lead on aviation decarbonization and remain on track with our European counterparts.

LAWA is committed to support AJF. LAWA is making assertive efforts to work with airports around North America, the Pacific Rim and Europe, fuel suppliers, airlines and others to make them aware of the need and available supplies of AJF. LAWA has an extensive fuel infrastructure in place at Los Angeles International Airport (LAX) to receive AJF as a drop-in fuel. LAWA is looking to remove supply and supply chain barriers and increase the use of AJF at both LAX and Van Nuys Airport.

LAX supplies approximately 2 billion gallons of conventional jet fuel to aircraft on an annual basis, which represents approximately 50% of California's aviation sector fuel demand. Additionally, in 2019, 3.2 million gallons of blended AJF were used by commercial aircraft leaving LAX. By switching to 5% AJF by 2025, California can reduce aviation GHG emissions by 50-80% on a lifecycle basis, totaling up to 2 million metric tons by 2025. Without growing AJF use, aviation sector emissions are expected to grow to over 25% of California's emissions by 2040, as other sectors (e.g., buildings, road transport) have full decarbonization pathways.

AJF is being commercialized and is scalable, but volumes are currently small, with roughly 5 million gallons used exclusively in California last year, compared to 2.5 billion gallons of biodiesel and renewable diesel consumption. The key factor limiting AJF growth is the total monetary value that AJF producers receive when compared to that available to producers of alternative fuels to serve the on-road market. This has been

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quantified and detailed in Mr. Noyes' letter ("Cap and Rack Cost" + LCFS cost) and is recognized by the industry to be approximately \$0.40 per gallon. To that end, we humbly request that CARB further review LCFS through its Public Workshops and consider revising the regulation to overcome the disparity in policies between the production of renewable diesel and AJF.

Doing so will send the price signal producers need to secure investment capital to expand their facilities and increase supply to airlines uplifting AJF in California. It also offers a lifeline to renewable diesel fuel producers that exclusively serve the on-road sector, which is now obligated to increasingly electrify through State Executive Order and regulation, to retrofit and retool plants for a future of aviation fueled by AJF.

With AJF incentives announced and growing in Canada, the United Kingdom, Sweden, Norway, and the European Union, we hope that CARB will consider expanding the LCFS credit for AJF. Increasing AJF incentives in California will help industry transition away from conventional jet fuel to AJF without adding to the carbon dioxide in our atmosphere. If you need any additional information, please feel free to contact me at, (424) 646-6734 or TMcCROSSEN-ORR@lawa.org.

Sincerely,

Tami McCrossen-Orr

Tamara McCrossen-Orr
Director of Environmental Sustainability & Compliance
Environmental Programs Group

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