



**August 30, 2018**

Clerk of the Board  
California Air Resources Board  
1001 I Street, Sacramento, CA 95814

**Re: Proposed 15-Day Amendments to the Low Carbon Fuel Standard Regulation**

Dear Air Resources Board Members and Staff,

DTE Biomass Energy Inc. (DTEBE) appreciates the opportunity to, once again, provide written feedback on the 15-Day Proposed Amendment Package to the Low Carbon Fuel Standard (LCFS) Regulation posted August 12, 2018. As you are aware, DTEBE is a developer, owner, and operator of 21 renewable energy projects throughout the United States. Our portfolio includes five Renewable Natural Gas (RNG) projects, which participate in the LCFS market. Together, these five projects will deliver almost two and a half million MMBtus of RNG to California in 2019.

DTEBE appreciates the work done by CARB in addressing many of our organization's comments in previous amendment packages. CARB has been diligent in assessing some of the key concerns voiced by DTEBE and other RNG producers. We believe there are some remaining areas of concern in the revised language that should be addressed as CARB works towards finalizing amendments to the LCFS program.

**Conflict of Interest Provisions for LCFS Verification**

DTEBE has noted in previous comment letters that the stringent conflict of interest provisions for LCFS verification may have the unintended effect of limiting the pool of potential verifiers. This will result in a high cost for verification services and may lead to difficulty in securing adequate services for large producers like DTEBE. CARB has addressed this by delaying the phase-in of conflict of interest provisions to 2023 in the previous amendment package. In this amendment package in 95503(c)(3), CARB appears to exempt audit services provided pursuant to the U.S. EPA RFS program from assessment under a risk category (apart from third-party engineering reports as outlined in 95503(b)(2)(A)). However, this exemption appears to directly conflict 95502(b)(2)(A), which names "providing validation or verification services pursuant to U.S. EPA RFS" as a high potential conflict of interest condition. DTEBE requests that CARB add clarifying language to make clear that services pursuant to U.S. EPA RFS are exempt from assessment under a risk category. Clarifying this will go a long way towards ensuring a more robust ecosystem of verification service providers for the LCFS program.

### **Utilization of Book-and-Claim Accounting for Biomethane Delivery**

In past comment letters, DTEBE has expressed our desire to allow book-and-claim delivery for all biomethane used to generate LCFS credits, including biomethane used for renewable hydrogen production, innovating refinery projects, or as a process fuel. DTEBE thanks CARB for addressing this issue in the most recent amendment package, including 95488.8(i)(2).

Allowing the ubiquitous use of book-and-claim accounting for biomethane delivery encourages a broad utilization of RNG to provide carbon intensity reductions in California.

### **Tier 1 Pathway Calculator for Dairy RNG**

DTEBE has requested that CARB consider making changes to the Tier 1 dairy biomethane calculator to allow for the calculation of carbon emissions from the trucking of dairy biomethane from an upgrading facility to a centralized interconnection point. Trucking processed gas to a centralized interconnection site allows for broader development of dairy biomethane projects and allows developers to better access the interstate gas system. Trucking processed RNG is quickly becoming the industry standard for biomethane projects. DTEBE has provided requested information to CARB on the emissions resulting from trucking RNG for our projects in development. We request that CARB make this addition to the calculator during this current rulemaking cycle. Adding this ability to the Tier 1 pathway calculator for dairy biomethane will better reflect industry practices and help speed the registration and verification process for new dairy biomethane projects that hope to participate in the LCFS program. This change will provide benefits for developers hoping to utilize the Tier 1 pathway and help conserve CARB staff resources by preventing these projects from undertaking the Tier 2 pathway process because of the common practice of trucking processed biomethane from a dairy farm.

### **Conclusion**

DTEBE would like to thank Air Resources Board Members and Staff for their continued work in developing thoughtful amendments for the LCFS program. We would also like to thank CARB for their productive and responsive efforts in eliciting feedback from program participants. We look forward to continually working with CARB to provide timely and accurate production data that will help continue to drive the LCFS program towards realizing GHG reductions in California. DTEBE encourages staff to reach out to myself or my colleagues if they have any questions or concerns about these comments.

Sincerely,



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