



**Jim Verburg**  
Director, Fuels

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Dr. Cheryl Laskowski  
Branch Chief – Low Carbon Fuel Standard  
California Air Resources Board  
1001 I Street  
Sacramento, CA 95814

Re: WSPA Comments on August 18<sup>th</sup> CARB Workshop to Discuss Potential Changes to LCFS

Dear Dr. Laskowski,

Western States Petroleum Association (WSPA) appreciates the opportunity to comment on the staff presentation at California Air Resources Board (CARB) Workshop to discuss potential changes to the Low Carbon Fuel Standard (LCFS), held on August 18, 2022. WSPA is a trade association that represents companies that provide diverse sources of transportation energy throughout the West, including California. This includes the transport and marketing of petroleum, petroleum products, natural gas, renewable fuels, and other energy supplies. Provided below is WSPA's initial feedback with references to the staff presentation slides<sup>1</sup> on CARB's proposed changes in the LCFS Program as presented to stakeholders by CARB staff on August 18, 2022:

**Pathway Streamlining – Deemed Complete Date (Slides 9-13)** – WSPA appreciates CARB's efforts to streamline LCFS program implementation. Although the alignment of deemed complete status reduces some confusion, changing the "*deemed complete date*" for Tier 2 pathway applications does little to streamline the pathway application process or resolve the issues with fuel pathway processing. Currently, for Tier 2 applications, the deemed complete date has little effect on credit generation, given that application reviews and validations are taking several months to complete. Ultimately, availability of the certified pathway often occurs multiple quarters after the deemed complete date. To achieve substantive changes in application processing, WSPA recommends that CARB incorporate into the regulation a deadline of 30 calendar days for CARB to review fuel pathway applications. If the applications are not reviewed within 30 days, the pathway application process should move on to the next step, such as the third-party validation step or the fuel pathway certification step. WSPA also recommends that CARB set staffing levels such that smooth and effective fuel pathway review processes can be achieved.

**Temporary Pathway Credit True-Up (Slides 14-18)** – WSPA supports the CARB staff proposal to true-up temporary fuel pathways with provisional and operational CI values. As CARB staff develops the draft regulatory language to implement this true-up element, we offer several factors to consider:

- The true-up should cover all volumes reported back to the first quarter during which the temporary pathway was used. Slide 16 suggests that it would be the first "full" quarter. This is an unnecessary limitation.

<sup>1</sup> <https://ww2.arb.ca.gov/sites/default/files/2022-08/August%202022%20Workshop%20Slide%20Deck%20Presentations.v16.pdf> – Accessed 9-12-2022

- True-ups should be automatic. Once CARB has certified a provisional or permanent pathway, credits should be added to the applicant's LRT-CBTS account without any administrative approval step.
- It is possible that a pathway holder may not be the fuel reporting entity for their pathway. In that case, they should have the option to designate another party to receive the true-up credits as part of their pathway application.
- True-ups should be applicable to pathways under review at the time that the regulatory changes take effect, including pathways still under provisional status.

WSPA also supports the proposal made during the public comment period to extend true-ups to the annual fuel pathway reporting process as well. Following verification, fuel pathway holders should be rewarded for incremental improvement in their operational carbon intensity. Doing so on an annual basis would reduce the need for pathway holders to reapply for their pathways to capture the value of operational improvements.

**Hydrogen Tier 1 Calculator (Slides 19-23)** - WSPA supports the establishment of a Tier 1 calculator for hydrogen. For a rapidly growing segment of the California LCFS program, this proposal may serve to streamline hydrogen applications so that focus can be placed properly on other complex Tier 2 pathways. For hydrogen pathways produced by steam hydrocarbon reforming, WSPA requests that CARB incorporate into the Tier 1 calculator all renewable hydrocarbons, (other than biomethane or renewable natural gas) as acceptable components to produce renewable hydrogen. An illustrative example is a renewable fuel facility that produces renewable propane as a co-product resulting from the conversion of renewable feeds to produce renewable diesel and/or alternative jet fuel. The renewable propane can be sent to the hydrogen plant as feedstock or used as thermal energy in the process heater for the hydrogen plant. Thus, the hydrogen derived from that portion of the renewable propane should be recognized as renewable hydrogen and should qualify for the hydrogen refueling infrastructure crediting program.

**EMFAC Model Estimation (Slide 45)** – WSPA does not support the use of EMFAC as a source of data for generating base credits for residential EV charging. EMFAC's primary purpose is to estimate the emissions inventories of on road mobile sources in California in the aggregate. CARB staff Slide 45 states: "*EMFAC is not designed to estimate residential PEV charging - estimates are not intended to reflect charging behavior*" and "*modifications would need to be made to transform model outputs into an estimate of residential PEV charging*". As such, EMFAC may not be the best tool for accurately calculating credits for residential EV charging.

WSPA appreciates the opportunity to provide comments on this important regulatory process. If you have any questions regarding this submittal, please contact me at (360) 296-0692 or via email at [jverburg@wspa.org](mailto:jverburg@wspa.org).

Sincerely,



James Verburg  
Director, Fuels

