



August 30, 2018

The Honorable Mary Nichols, Chair
California Air Resources Board
1001 I Street
Sacramento, CA 95814

Re: LCFS Program Moving Away from Fuel Neutral, Carbon Focus

Dear Chair Nichols:

We are writing on behalf of California’s biofuels producers to urge the California Air Resources Board (ARB) to maintain the LCFS program’s fuel neutrality and focus on carbon reduction. Any proposed changes to move the program away from fuel neutrality would jeopardize its success by picking technology winners and losers regardless of their actual carbon emission reductions. Together, these changes would put the program at risk of legal challenges and of meeting the carbon reductions that the state is relying on to meet its 2030 climate targets.

We are especially concerned about the proposal to give credit to hydrogen fueling stations and electric vehicle charging stations based on capacity rather than the carbon intensity and actual volume of fuel produced. This is an enormous departure in the program that moves away from the performance-based, lifecycle carbon intensity of fuels sold in California. By picking winners and losers, this proposed change contradicts the scientific underpinning of the program and makes subjective choices based on technology preferences that are not based on carbon intensity. By allowing

LCFS credits to be generated for “capacity” versus actual low carbon fuel use, the LCFS program becomes ineffectual and the market will be diluted with “virtual” fuel.

Moving away from a lifecycle-based carbon intensity focus will make the LCFS program vulnerable to legal challenges that could delay program implementation. More importantly, it puts the carbon reductions -- which the state is relying on the LCFS to provide -- at risk by giving credits for infrastructure rather than fuel production. LCFS will no longer rely on actual carbon reductions. This sets up a non-scientific, unreliable accounting system for one of the largest sources of carbon emissions in the state.

For all these reasons, we urge ARB to reject the proposal to provide LCFS credits for capacity rather than actual volume. In addition, we urge ARB to keep the focus of the LCFS on carbon reduction and the only scientific basis for the program, which is the lifecycle carbon intensity of participating fuels. Any other approach undermines the credibility and effectiveness of the program and reduces LCFS credit values for producers and users of actual low carbon fuel.

Sincerely,

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Western Propane Gas Association

Peter Drasher
Black Bear Environmental Assets

Jason Feldman
Green Era Sustainability

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