

July 12, 2023



Shell USA
West Coast Corporation Relations
1121 I Street, Suite 700
Sacramento, CA 95814

VIA ELECTRONIC FILING

Cheryl Laskowski
California Air Resources Board
1001 I Street
Sacramento, California 95814

Re: Draft Tier 1 Carbon Intensity Calculator for Biomethane from Anaerobic Digestion of Dairy and Swine Manure

Dear Dr. Laskowski:

Shell USA (Shell) appreciates the opportunity to provide California Air Resources Board (CARB) with comments in response to the Draft Tier 1 Carbon Intensity (CI) Calculator for Biomethane from Anaerobic Digestion of Dairy and Swine Manure. Shell is committed to becoming a net-zero emissions energy business by 2050. With this commitment, Shell seeks to provide the consumer the fuels they need to meet their own decarbonization goals. The manufacture of Low Carbon Fuels is one avenue to decarbonization. Shell has made significant investments in this category of fuels including renewable diesel, sustainable aviation fuel (SAF) and renewable natural gas (RNG).

Accordingly, Shell has a keen interest in this subject and respectfully submits these comments. We would like to emphasize that stable ground rules are essential to justify investment in Low Carbon Fuels. Capital projects are based upon various assumptions and risks. The viability of projects frequently depends on the predictability of regulations and the ability to collaborate with CARB to achieve decarbonization goals.

Allow Applicants to Account for Actual Fugitive Methane Performance

We request CARB allow users, who use state-of-the-art technologies, to report project-specific fugitive methane levels in the Tier 1 model to encourage such use. For example, Shell has three RNG projects under construction proposing to use 3-stage membranes for gas upgrading with greater than 99% methane recovery by design. Accordingly, our fugitive methane emissions will be less than 1%. This is important to Shell for two reasons. First, we need to justify our investments to shareholders and second, Shell reports Scope 1 emissions for all our assets and it is important to demonstrate superior methane reductions, particularly in California. Forced use of the 2% default in the Carbon Intensity calculation for CARB will be inconsistent and a false statement of actual methane emissions.

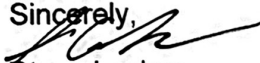
Grandfather Carbon Intensity for Pathway Applications Submitted pre-2023

We request CARB grandfather projects with the existing model if they submit provisional pathway applications before the new model takes effect. Additionally, to provide consistency for

business investments we request that the existing model apply for the remainder of the crediting period. This level of regulatory certainty will provide the industry with the confidence necessary to attract additional investment in this space.

CARB's leadership with the Low Carbon Fuel Standard (LCFS) in reducing Greenhouse Gas emissions is the benchmark that many other states are looking to replicate. Shell wants to be a resource to CARB to make the LCFS program robust for replication across the nation. Thank you for your consideration of our input.

Sincerely,



Steve Lesh

Manager of Corporate Relations, U.S. West Coast

Shell USA