



Ms. Rajinder Sahota
California Air Resources Board
1001 "I" Street
Sacramento, CA 95812

November 21, 2016

Re: Comments Concerning 2030 Target Scoping Plan Update

Dear Ms. Sahota:

On behalf of Clean Energy, please accept the following comments concerning the November 16 staff update to the Board on the 2030 Target Scoping Plan Update.

Clean Energy strongly supports the state's environmental and public health goals including Governor Brown's Executive Order B-30-15, which reduces greenhouse gas emissions to 40% below the 1990 level by 2030. Our company and industry stakeholders were also leading champions that helped pass SB 32. We find it vitally important that such state policies promote both public health and a strong economy that promotes critical state air quality, energy, and social justice goals.

WHO ARE WE?

As North America's largest provider of natural gas transportation fuel with over eighteen years of leading industry experience, Clean Energy provides construction, operation and maintenance services for refueling stations nationwide. We have a deep understanding of the growing marketplace, and our portfolio includes over 589 stations in 43 states, including a significant presence of 165 stations in California.

Already used as a clean, low carbon source of energy around the world, natural gas is abundant and proven to be a cost-saving alternative fuel to diesel and gasoline. Natural gas for transportation fuel strengthens our economy with lower fuel costs, increases our energy security, and significantly benefits our environment by reducing carbon emissions and smog-forming NOx emissions by up to 23% and 90%, respectively, relative to diesel fuel. Carbon emissions are reduced even further – approximately 80% to 90% - when renewable natural gas (RNG) is used to power our engines compared to diesel.

PRELIMINARY SUPPORT

While we await the release of the public discussion draft and the full Draft Scoping Plan, we at this time would like to build upon our comments submitted in September and comment on what was presented to the Board by staff on November 16. It is early in the process but we want to express preliminary support for a post-2020 Cap and Trade program and a post-2020 LCFS.

Regarding Cap and Trade, we look forward to evaluating Scenario 2 (carbon tax) and Scenario 3 (cap and trade). We are concerned about the implications of Scenario 1, in which a cap and trade program would not be implemented and only baseline programs and policies would be enhanced. We do not believe increasing the strain on existing programs is an effective substitute for a cap and trade program. In such a scenario, we are concerned that the remaining programs could become more politically vulnerable and it would be tempting to revoke some program elements should they be perceived as overly burdensome on those regulated.

A post-2020 program needs to provide market and investment certainty and raise funds for projects that will dramatically reduce greenhouse gas emissions. We do strongly support from Scenario 1 the proposed adoption of a Renewable Gas Standard for natural gas suppliers.

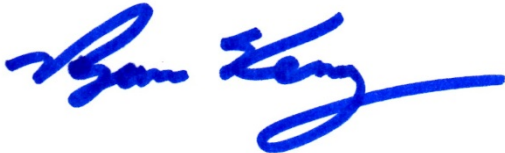
We also strongly support a post-2020 LCFS program, and believe adoption sooner than later will provide a clear market signal to the many businesses, and potential market entrants, that have made the current program so successful. For example, our company has 165 transportation fueling stations in California, with 99% of the fuel dispensed being RNG. We will also produce and sell close to 60 million gallons of RNG vehicle fuel this year. Seventy percent of vehicle fuel going into natural gas vehicles in California is RNG. None of this would not be happening if it were not for the LCFS and this must continue.

FINAL DRAFT

We believe it is imperative that the final draft of the *Scoping Plan* focus on the most cost-effective measures to reduce climate pollutants, including in-state renewable natural gas (RNG) production and near-zero emission vehicles that can run on RNG, which can provide the most significant reductions in climate change and criteria pollutants and provide the most immediate benefits for disadvantaged communities.

We would like to thank the Air Resources Board staff for providing the opportunity to share our views and for considering our comments. We look forward to continuing our participation and partnership with you in this healthy discussion and process.

Sincerely,

A handwritten signature in blue ink, appearing to read "Ryan Kenny". The signature is fluid and cursive, with a long horizontal stroke extending to the right.

Ryan Kenny
Senior Public Policy & Regulatory Affairs Advisor
Clean Energy