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November 5, 2020

Richard Corey
Rajinder Sajota
Arpit Soni

California Air Resources Board
1001 I Street
Sacramento, CA 95812

RE: Comment on LCFS Public Workshop to Discuss Potential Regulation Revisions

Dear Mr. Corey, Ms. Sahota, and Mr. Soni:

Thank you for the opportunity to comment on the potential revisions to the Low Carbon Fuel Standard ("LCFS") discussed at the public workshop on October 14-15, 2020. We want to thank the leadership and staff at the Air Resources Board (ARB) for all of the hard work on these very important issues to Californians, and applaud you on implementing a program that has served as a blueprint for other carbon reduction plans all over the country. Thanks to companies like New Leaf who produce bio-mass based diesel, the LCFS is thriving. We are supportive of CARB's goals of creating targets post 2030 for carbon reduction. New Leaf Biofuel supports the comments submitted by both the National Biodiesel Board and the California Advanced Biofuels Alliance, but would like to specifically address the issue of temporary pathways. Specifically in these comments, we would like to focus on temporary pathways and the need to retroactively "true-up" CI scores.

Temporary pathways are conservative by design to avoid over-generation of credits. Currently, there is no retroactive credit generation for the fuel produced prior to submittal of the provisional fuel pathway. For ultra-low carbon facilities like mine, the difference between the temporary pathway and a newly created pathway could be as high as 30 CI points which could be valued \$0.75 or more per gallon. We therefore support staff's consideration of allowing pathway holders to request a true-up of credits using the certified CI for the credits generated while using the temporary CI. This would allow pathway holders to realize the financial benefit of these credits, rather than suffer a financial loss during that period. Fuel margins can be incredibly tight – often pennies per gallon. Fuel producers with new facilities or new

expansions should be given an opportunity to make up some of the losses with a true-up of credits.

We request that this retroactive credit generation extend back to at least January 2021 to incentivize credit-generating opportunities for the LCFS program that are underway today (rather than applying only after the ARB Board approves the proposed changes which is estimated for 2023 or later).

By not including newly constructed or expanded facilities underway today, CARB would be allowing these real and verifiable credits to be lost and unable to contribute to the goal of the LCFS.

Sincerely,

New Leaf Biofuel, LLC
a California limited liability company

A handwritten signature in black ink, appearing to read "Jennifer Case". The signature is written in a cursive, flowing style.

Jennifer Case, President