



RNG Coalition Comments:

**2030 Target Scoping Plan
Update & Biofuels Supply
Module - September 2016**

September 28, 2016

Respectfully Submitted to

Mr. Sam Wade
Chief, Transportation Fuels Branch
California Air Resources Board
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Prepared by

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Dear Mr. Wade:

The Coalition for Renewable Natural Gas (RNG Coalition) thanks the California Air Resources Board (ARB), your sister agencies and respective staff members for the thoughtful work put into the Public Workshop on the Transportation Sector to inform Development of the 2030 Target Scoping Plan Update, and the Biofuels Supply Module (BFSM) presented on September 14, 2016.

The RNG Coalition

The RNG Coalition is a California non-profit representing the renewable natural gas industry in North America. Our membership includes 90+ companies and organizations involved in the value chain of waste-to-energy and fuel, including producers of 90% of all the RNG in North America.

Renewable Natural Gas (RNG, biomethane or upgraded biogas) is an ultra-low-carbon product gas derived from waste streams. Waste water, agriculture, dairy and livestock waste, and municipal solid waste are composed predominantly of cellulosic material. As these organic waste streams decompose, methane, carbon dioxide and other harmful greenhouse gasses naturally emit into the atmosphere.

RNG Coalition members and industry stakeholders develop RNG projects that actively manage and avoid otherwise fugitive GHG emissions from these waste streams. RNG projects capture biogas on-site and upgrade it to biomethane - a product gas and renewable replacement for geologic natural gas. using biogas from organic waste streams as a feedstock, developers can generate electric power or produce transportation fuel from RNG for CNG or LNG vehicles. As recognized by ARB, CNG and LNG vehicles fueled by RNG produce only a fraction of the GHG lifecycle emissions compared to vehicles fueled by gasoline or diesel.

The health benefits associated with cleaner air are compounded through increased RNG development because the production of RNG eliminates a GHG emission source (unmanaged decomposing waste) and the utilization of RNG displaces a higher-carbon fuel (natural gas, gasoline or diesel) with an ultra-low-carbon alternative.

As such, our predominant interest in the 2030 Target Scoping Plan process is the identification and removal of barriers that prevent development of biofuels, including renewable natural gas, from California's in-state resources. Because the ARB has identified these

concerns in the Proposed Short-Lived Climate Pollutant Reduction Strategy (SLCP), we will not belabor the point here except to emphasize that the same barriers previously outlined continue to exist as impediments and should be mitigated as soon as possible.

The balance of our comments will focus on and briefly speak to various aspects of the 2030 Target Scoping Plan Overview, Mobile Source Strategy, Fuels and the Biofuel Supply Module.

2030 Target Scoping Plan Overview

As ardent supporters of SB 32 (Pavley, 2016), and the Low Carbon Fuels Standard as a compliance program, the RNG Coalition supports the vision of reducing GHG emissions to 40% below 1990 levels by 2030.

The RNG Coalition also strongly supported AB 197 (E.Garcia, 2016). As such, we believe that our environmental stewardship and quest to increase California's resiliency and transform to a clean energy economy should be guided by reasonable regulation that supports business, vulnerable communities, create jobs and results in increased clean energy choices for all consumers.

Considering that the State cannot achieve the 2030 Target without extension of existing programs and new policies to achieve additional reductions, we ask that the the ARB and sister agencies provide all stakeholders with ample opportunity to review and comment on any and all new information being considered for implementation.

Mobile Source Strategy / On and Off-Road Heavy Duty Equipment

The RNG Coalition supports the Key Strategy Actions, and particularly supports the increased penetration of ZEV technology, the expanded use of cleaner renewable fuels and incentivized deployment of cleanest technologies.

We agree that renewable fuels can provide significant GHG and petroleum reductions and support the strategy to increase use of renewable fuels and to offer incentive funding for the cleanest engine technologies.

We also acknowledge that heavy-duty zero emission technologies are currently being developed. However, we urge the ARB to avoid forfeiture of GHG emissions reductions from the heavy-duty transportation sector that can be realized by replacing diesel engines with natural gas engines fueled by renewable natural gas, for battery and fuel cell technology that is still perhaps decades away from deployment.

We support electrification, but echo floor statements made by members of legislature during the passage of AB 1613 and encourage the Air Resources Board not to favor one type of technology, but remain open to a broad range of clean and efficient vehicle technologies - including but not limited to, renewable natural gas powered trucks and fleets.

We support incentive funding, including through use of \$150 million approved by the legislature, to accelerate the penetration of zero and near-zero equipment.

Fuels - Low Carbon Fuel Standard

The RNG Coalition supports the Low Carbon Fuel Standard and underscores the efficacy of the program to incentivize low-carbon fuel production nationwide. Nearly 100% of the RNG that participates in the LCFS is imported. While we support inter-state commerce, we believe California's prohibitive pipeline access regulations should be remedied so that biomethane produced from a variety of California's in-state resources can also participate and contribute under the LCFS.

BFSM - Workshop Presentation

We agree that policies, including the federal RFS, California's LCFS and associated markets, ultimately impact the cost of delivering alternative fuel relative to conventional fuels. We also concur that LCFS Credits are important for promoting biofuel supply in California.

General Comments

Natural Gas is the cleanest fossil fuel available. It is abundant and affordable and provides considerable clean air and GHG benefits, especially in electricity generation as compared to coal and as a transportation fuel as compared to diesel. With the new near-zero emission engine, natural gas provides 90% NOx and 99% SOx emission reduction as compared to diesel.

RNG can and should be utilized in abundance to help decarbonize natural gas pipelines and improve the GHG emission profile of CNG and LNG. However, natural gas should not be the target of elimination efforts, especially when dirty energy and fuel options maintain a majority hold on California's fuel and energy future.

Conclusion

Ultimately, the RNG Coalition seeks to ensure that RNG is recognized for its extraordinary GHG emission reduction benefits. The LCFS - and other programs acknowledged by the 2030 Target Scoping Plan - have successfully incentivized increased development and deployment of RNG. Still, impediments and policy incongruence continues to exist in the State. As such, the RNG Coalition remains committed to continue working with the ARB on policy development to ensure that any policy or regulatory transition supports the progress of the RNG industry in California.

Lastly, we reiterate the importance that all stakeholders be provided with ample opportunity to review and comment on any and all new information being considered for implementation of the State's 2030 Targets.

This concludes the comments of the Coalition for Renewable Natural Gas.

Yours In Service,



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