November 5, 2020

Rajinder Sahota
Division Chief, Industrial Strategies Division
California Air Resources Board
1001 I Street
Sacramento, CA 95814

Dear Ms. Sahota:

AFCC and its member companies are writing to you to express support for the Novel Technology Investment Credit (NTIC) program that was presented by Virent and Marathon in the CARB LCFS Public Workshop on Oct. 15, 2020 and we ask that CARB move the NTIC program into the next rule making process for incorporation into the LCFS. The NTIC program is a new concept that will promote and incentivize investment in novel and innovative technologies for producing liquid and gaseous transportation fuels and lower the risk profile to help high capex technologies cross the "valley of death".

AFCC is a collaborative government affairs effort organized by the Kilpatrick Townsend & Stockton law firm and American Diversified Energy. AFCC was created to address policy and advocacy gaps at the federal and state levels in the renewable chemicals, bioplastics/biomaterials, cell-cultured food ingredients, single cell proteins for food and feed, enzymes, alternative fuels, biobased products and sustainable aviation fuels (SAF) sectors. AFCC member companies are directly engaged in the production and full integration of renewable chemicals, food, feed, fiber, bioplastics and biomaterials, and biofuels in the biobased economy.

NTIS will provide AFCC member companies developing new technologies stability and assurance for bringing their low carbon fuels to market. And, to protect the integrity of the program and ensure that Californians gain a benefit, the NTIC program is structured to require investors to make capital investments up front, demonstrating a high confidence that a technology will work, and providing a commitment to sell fuels produced at such a facility to California. The program requires no cash inputs or new administrative structure by the State of California and will help further reduce the carbon intensity of transportation fuels sold in California to lower overall GHG emissions and positively impact the environment in California.

AFCC and its member companies support the NTIC program because we believe it is the correct approach to advance the growing need for low carbon fuels in California. It will help AFCC member companies bring new technologies for low carbon fuels to commercial scale; and we believe the program is correctly structured to limit the LCFS programs risk in that investors will need to take the upfront risks to demonstrate the new technology is commercially and operationally viable. Additionally, administrative controls to limit the number of credits awarded to between five and seven and a half percent of deficits will help to ensure existing investments are not placed at a disadvantage and can be implemented under the existing CARB administrative infrastructure with no cash outlays by the State of California. We believe that the NTIC program will bring significant additional investments into new low carbon fuels technologies, resulting in significant increases in production of low carbon fuels to the market.

In summary, AFCC member companies could utilize the NTIC program which would provide support to the biofuels industry without any cash input from the State of California and no changes to the current administrative infrastructure.

For all these reasons, AFCC and its member companies encourages you to move the NTIC program forward in the CARB rule making process as soon as possible.

Sincerely,

Alternative Fuels & Chemicals Coalition

Greeley Green Energy
For a "Cleaner and Greener" Weld County

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