



February 19, 2024

California Air Resources Board
1001 I Street, 23rd Floor
Sacramento, CA 95814

Subject: Comments on Proposed Amendments Regarding Intrastate Jet Fuel Obligations and Less Intensive Verification

Dear Members of the California Air Resources Board,

Turner, Mason & Company (TM&C) appreciates the opportunity to provide comments on the 2024 proposed Low Carbon Fuel Standard (LCFS) amendments.

TM&C is an accredited verification body under the California LCFS, boasting a rich legacy of over 30 years working with petroleum and renewable fuel producers. With a team comprising seasoned consultants, each equipped with decades of first hand industry experience operating within Federal and State regulatory frameworks, TM&C stands as a trusted partner for clients navigating the intricate landscape of fuel compliance and verification. Through our extensive industry tenure and unwavering commitment to excellence, TM&C has consistently delivered invaluable insights to ensure regulatory compliance and operational efficiency for our clients.

I am writing on behalf of TM&C's verification body to provide comprehensive feedback on three critical aspects of the proposed amendments: 1) the inclusion of intrastate jet fuel as an obligated fuel, 2) the concept of less intensive verification, and 3) the current requirements for verification body rotation after six years.

Regarding the addition of intrastate jet fuel as an obligated fuel, we echo previous concerns raised about the complexities and challenges associated with this proposal. The verification process for transactions involving this type of fuel would undoubtedly pose significant challenges, particularly given the intricate nature of traceability requirements.

It is crucial for CARB to engage not only with fuel producers but also with verification bodies to better understand the barriers and challenges inherent in the verification process. This collaborative effort will inform the development of effective verification methodologies and ensure that any regulatory measures implemented are grounded in feasibility and practicality.

Furthermore, CARB must ensure that there are clearly established methods for demonstrating and verifying the intended use of jet fuel for intrastate transport versus interstate or international transport. Without such clarity, reporting entities and verification bodies will face difficulties in meeting the requirements outlined in Section 95500(c) for fossil jet fuel used in intrastate flights.

Turning to the concept of less intensive verification, while we commend CARB for considering this approach to streamline the verification process, we believe there are opportunities for refinement to ensure effectiveness and equity. Specifically, we recommend extending the provision for less intensive verification services to encompass all transaction types listed in Section 95500(c)(1)(A through F), as well as the verification of Crude Oil Quarterly and Annual Volumes Reports outlined in Section 95500(d). Additionally, eligibility for less intensive verification for Annual Fuel Pathway Reports (AFPR) should be extended to entities operating in manufacturing jurisdictions with established process safety regulations, as these jurisdictions demonstrate a higher level of internal control and compliance.

An assessment process for specific supporting information could be incorporated into the Notice of Verification to facilitate the application of less intensive verification. This would provide an opportunity for the Verification Body and CARB to determine whether there is sufficient supporting information to approve a less intensive verification process.

In addition to “less intensive verification”, CARB should consider eliminating the restriction of using the same verification body or individual verifier(s) to perform validation and verification services for a period more than six consecutive years (see Section 95500(g)). This change would enable verification bodies to develop and maintain organizational competency and capability for the long-term thereby providing for increased sustainability of the LCFS validation / verification program.

With the experience gained from almost four years of validation / verification reporting, CARB should consider the performance history of the verification body or individual verifiers and not simply require a default change without a fundamental reason (i.e. cause). CARB has the authority to accredit and discredit verification bodies, lead verifiers, and verifiers based upon the competency requirements within section 95502(c).

In conclusion, TM&C believes that refining the proposed amendments to include these recommendations will enhance the effectiveness and fairness of the verification process while still achieving the intended goal of the program.

We appreciate the opportunity to provide feedback on this matter and look forward to the continued improvement of the regulatory framework.

Thank you for your consideration on these matters. If you have any questions, please reach out to us.

Regards,

A handwritten signature in black ink that reads "Cinda J. Lohmann". The signature is written in a cursive style with a large, looped initial "C".

Cinda J Lohmann
Executive Vice-President,
Fuels Regulatory Practice
Turner, Mason & Company