

October 16, 2024

California Air Resources Board
1001 I Street
Sacramento, CA 95814

RE: Sevana Bioenergy Comments on the Second 15-Day Amendments to the Low Carbon Fuel Standard

Thank you for the opportunity to submit comments on the second 15-Day Amendments to the Low Carbon Fuel Standard.

Sevana Bioenergy develops RNG projects through design, construction, and operations, with strong partnerships and contributions to the local communities we serve. Our mission is to accelerate the production of RNG from anaerobic digestion facilities and contribute significantly to worldwide greenhouse gas reduction with net carbon-negative projects. Sevana Bioenergy is developing projects both inside and outside California, with both carbon negative electricity and RNG pathways, so we are familiar with and not biased toward any specific fuel type or geography. Furthermore, RNG can be used to generate hydrogen and other emerging low carbon fuels. The science-based, technology-neutral and inter-state commerce compliant framework of the LCFS make it a strong and tested policy. Unfortunately, we have seen decarbonization projects being cancelled or shut down from depressed LCFS credit prices and look forward to this rulemaking to return the program to balance.

Support for more ambitious and effective targets and AAM

We would like to express our general support for the new amendments to the program, and would recommend CARB consider more ambitious targets in subsequent rulemakings for overall CI reduction targets higher than 30% by 2030. We support the step down of 9% but it could be even larger. Also we support the modifications made in the second 15-Day changes to the auto-acceleration mechanism (AAM). Switching from a calendar year of data to the most recent four quarters of data as the determination for whether the AAM is triggered will allow for greater transparency and market certainty to LCFS participants, and urge CARB to clarify this AAM will be allowed to trigger as early as possible.

Maintain avoided methane and deliverability mechanics particularly for projects under construction

Methane is one of the most powerful greenhouse gases with a potency nearly 30 times that of carbon dioxide. RNG projects capture methane including from livestock and organic waste that would otherwise be released to the atmosphere and thus reduce greenhouse gas emissions and improve air quality. California should employ all options available and use reality-based counterfactuals to help mitigate methane emissions as rapidly and for as long as practical. It is important to clarify that any change to avoided methane crediting from three to two periods only apply to new projects.

To avoid stranding capital invested already in such projects and potentially cause shut downs of brand new under construction methane reducing projects due to insufficient methane crediting periods, which is clearly antithetical to the purposes of the LCFS, the revised language is not clear enough to address this issue. We

would recommend changing the three-period crediting period eligibility to include projects like ours being built on the basis of 30 years of operating life by substituting “***under construction before the effective date***” rather than the 15 day amendment’s current “*certified before the effective date*”

Furthermore, we recommend CARB avoid opening a pandora’s box involved in changes in eligibility of deliverability. The current tracking mechanisms are supported by science and aligned with programs such as the RFS and other state low carbon fuel regulations. This will avoid tremendous risk of legal challenges, fuel shortages, higher emissions through workarounds such as trucking rather than pipeline deliveries, and perpetuating the sustained usage of fossil fuels by arbitrarily hindering low carbon fuels.

True up and 4:1 penalty

We support a clarification made for true ups to actual verified CI versus the temporary pathway CIs or when no temporary pathway is offered, to also include **projects under construction** and those using **TPCs when the regulation takes effect**.


We also highly recommend removing the newly proposed 4:1 penalty on actual versus temporary or provisional CI, which may be due to factors outside the registrant’s control.

Linear Generators should be treated similarly to Fuel Cell to EV Pathways

We recommend that this framework be improved further by allowing other forms of low-emission gas power generation to use the same accounting framework, including linear generators.

Thank you for taking our comments into consideration. We look forward to an expedient conclusion of the final rulemaking.

Sincerely,



Steve Compton
President & COO
Sevana Bioenergy