



VIA ELECTRONIC FILING

August 27, 2024

Matthew Botill
California Air Resources Board
1001 I Street
Sacramento, California 95814
Re: DVO, Inc. Comments on Low Carbon Fuel Standard 15-Day Amendments

Dear Mr. Botill:

DVO, Inc is a U.S.-based provider of anaerobic digesters designed to effectively and efficiently digest a variety of organic materials to produce either biomethane or renewable electric power. With over 150 digester vessels installed worldwide (majority in North America), DVO is the largest single provider of anaerobic digesters in this industry.

Our industry position is most often that of a vendor to developers and/or project owners. As such, we have a broad and direct overview of the anaerobic digester industry throughout North America. Projects involving DVO's digesters on methane capture projects most often require significant long term investment – either from private individuals, developers, lending institutions or investors.

In recent years, we have seen and experienced what we would describe as an erosion of the effectiveness of the LCFS program. This has resulted in a meaningful drop off in project development and investment. We look forward to CARB instituting improvements that will result in increased methane capture and diversion into beneficial uses as renewable energy.

Toward the goal of increasing methane capture and program effectiveness, we thank CARB and CARB staff for the opportunity to provide the following comments on the LCFS 15-day amendments:

- **Near Term CI Ambition:** We support an increased near-term ambition from the proposed 9% to something greater, such as 11% proposed by other stakeholders. This course-correction should help boil off the current credit bank surplus and the resulting economic consequences.
- **Credit True Up:** DVO supports the proposed language to include a full credit true-up including the temporary period once verification is complete.

- **Step Down in Avoided Methane Crediting from Three Periods to Two:** We do not support the proposed step down in the total number of crediting periods for avoided methane emissions for some subset of projects breaking ground before January 1, 2030, from three to two. This would be an extremely problematic change as it would reduce project lifetimes and create significant headwinds for investment decisions. In addition, lacking further economic incentive support, at the end of only a second avoided methane crediting period, many projects run the risk of abandonment as it may no longer be cost-effective to continue operations. We believe the avoided methane crediting periods should be at least three.
- **Deliverability Language:** We find very troubling the proposed language limiting delivery of out-of-state RNG to pipelines with >50% directional flow into California. The direction of pipeline flows are not controlled or controllable by RNG project owners. Pipeline operators make their own decisions about directionality of products they carry. The current book and claim approach has helped incentivize RNG projects in the U.S. We strongly believe the proposed directional deliverability language by CARB in the 15-day proposed language will further disincentivize investment in these critical RNG projects.
- **Accessibility to Non-Colocated Renewable Power:** To help further incentivize development in the renewable power industry, we urge CARB to remove the co-located power generation requirement and allow greater and more diverse sources of green power to help produce RNG.

We appreciate CARB's consideration of our views and concerns and look forward to a more robust and reliable LCFS program to support the interests of all stakeholders

Sincerely,



Stephen Dvorak, PE
President & Co-Founder
DVO, Inc.