



August 27, 2024

Mr. Matt Botill  
Chief, Industrial Strategies Division  
California Air Resources Board  
1001 I Street Sacramento, California 95812

Ms. Rajinder Sahota  
Deputy Executive Officer  
Climate Change & Research  
California Air Resources Board  
1001 I Street Sacramento, California 95812

Comments on the LCFS 15-day text:

Dear Mr. Botill and Ms. Sahota,

Thank you for the opportunity to provide comments on the proposed modifications to the text of the LCFS amendment issued August 12, 2024 (the "15-day Changes"). Roeslein Alternative Energy ("RAE") was founded in 2012 as an operator and developer of renewable energy production facilities that convert agricultural and livestock substrates and feedstocks, along with renewable biomass feedstocks, into renewable natural gas and sustainable soil amendments and co-products. At RAE, we provide market-based solutions to meet the competing demands of renewable energy production, ecological services, and wildlife habitat restoration while enhancing the sustainability of food, feed, fuel, and fiber production.

**We Appreciate the Increased Step-Down from the 45-Day Text**

We want to start the letter by expressing our appreciation for CARB's increasing the amount of the one-time step-down in 2025.

Although 9% is much improved from the 5% contained in the 45-day text, however, we are concerned that it might not be sufficient to cause the necessary depletion of the credit bank. That's because CARB maintained 2028 as the first year for which the AAM can amend CI reduction targets.

**The AAM Should Be Able to Trigger Earlier**

Instead, the AAM should be able to be triggered as early as possible and therefore are advocating for 2025's performance to be the first year for which it can be triggered





### **CARB Should Restore the Third 10-Year Crediting Period for the Avoided Emissions Credit.**

The 15-Day Changes backtracked on the 45-day text when they reduced the total number of crediting periods for avoided methane emissions from three to two for some subset of projects breaking ground before January 1, 2030. Given SB 1383 and CARB's acknowledgement in the August 22<sup>nd</sup> dairy workshop that more mitigation measures are necessary for methane emissions derived from dairy manure, we were surprised to see CARB make this change. Like many other DSM project developers, we rely on LCFS revenues for 3 full 10-year crediting periods - DSM projects are expensive to build and operate. CARB should restore three 10-year crediting periods for projects breaking ground before January 1, 2030.

### **The True-Up from the Temporary to the Provisional CI Score Should Not Have to Wait Until Verification**

We appreciate that the 15-Day Changes included a credit "true up" from the Temporary CI score to the provisionally certified score. This is an important change. However, it still does not go far enough since the true up only occurs after verification.

Rather the true-up should occur when credits are posted by CARB for the quarter in which provisional certification occurs. There is no good reason to make fuel pathway holders wait until after annual verification. The LCFS disincentivizes a fuel pathway holder from ending up with a verified CI greater than the provisional CI, and that will especially be the case if CARB's proposed exceedance penalty goes into effect with the LCFS amendment.

### **The 4-to-1 Penalty Should be Eliminated or Greatly Reduced**

We believe the 4-to-1 penalty is overly punitive and unnecessary, and we therefore believe it should be removed altogether or greatly reduced.

In closing, we note that there is sufficient time before the November Board meeting for CARB to issue a second 15-day package. We urge CARB to do so.

Sincerely,

A handwritten signature in black ink that reads "Bryan A. Sievers". The signature is written in a cursive style with a large, stylized "B" and "S".

Bryan Sievers  
Director of Government Relations  
Roeslein Alternative Energy