SEVANA 🍪 BIOENERGY

August 27, 2024

California Air Resources Board 1001 I Street Sacramento, CA 95814

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

Thank you for the opportunity to submit comments on the 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.

We continue to support the proposal to adopt more stringent carbon reduction targets, and the step down of 9% is improved but could be even larger. However, we observed several proposed changes that will work against the target of GHG emissions reductions. 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.

Definition of food scraps to include organic wastes that are currently landfilled

The updated definition of food scraps is overly restrictive and excludes organic wastes that are currently being landfilled and contribute to the emission of landfill gases. These organic wastes could be diverted from landfill and converted into RNG. We therefore propose to include organic wastes from commercial establishments, distribution centers, manufacturing facilities, and grocery stores and to only exclude liquids that have other beneficial uses such as FOG. A proposed definition would be as follows:

"Food Scraps" is the portion of municipal solid waste (MSW) that consists of inedible or post-consumer food collected from residences, hospitality facilities, institutions, commercial establishments, distribution centers, manufacturing facilities, and grocery stores. This definition excludes fats, oils, or greases (FOG).

Align baseline for methane to be consistent with the latest studies on landfill capture rates and site specifics

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EPA and CA satellite studies show actual landfill methane capture rates are not as high as currently included in the Tier 1 Organic Waste GREET calculator, some studies showed only 36% of landfill methane is captured, and Canadian Clean Fuel Program adopted a 36% rate. Adapting landfill capture rates of methane changing the current 75% to the latest scientific understanding would properly value and appropriately incentivize organic waste diversion into beneficial RNG.

We further recommend using site specific data for dairy and swine manure lagoon cleanouts as is currently implemented, rather than the proposed transition to an inaccurate and overly optimistic default baseline that assumes lagoons are fully cleaned annually when in fact in most cases they are not. It is especially important to avoid stranding capital not to implement such a new default cleanout baseline, which our modelling shows misses 30-70 CI points versus actual cleanouts for projects that were already in construction prior to this change.

Maintain avoided methane and deliverability mechanics

We recommend CARB avoid opening a pandora's box involved in the proposed pipeline directional mapping in the 15-Day Changes for 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.

Avoiding/capturing methane emissions is one of the most consequential actions that can be taken to reduce GHG emissions and is recognized widely by the scientific community, so hamstringing CARB's ability to reduce such emissions within the LCFS after only 20 years doesn't make sense. Limiting avoided methane crediting to a maximum of two 10 year periods will likely result in shutting down impactful GHG reducing projects built to support the goals of the LCFS. It is important to clarify that any change to avoided methane crediting only apply to new projects to avoid stranding capital invested already in such projects.

True up and 4:1 penalty

We support clarification made for true ups to actual verified CI versus the temporary pathway CIs or when no temporary pathway is offered. 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.

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

Sevana Bioenergy LLC