



October 16, 2024

Chair Randolph and Members of the Board  
California Air Resources Board  
1001 I St.  
Sacramento, CA 95814

**RE: American Biogas Council Comments on the Second 15-Day Changes to the Low Carbon Fuel Standard**

Dear Chair Randolph and Members of the Board,

The American Biogas Council (ABC) appreciates the opportunity to comment on the second proposed 15-Day changes amendments to the Low Carbon Fuel Standard (LCFS). The ABC is the voice of the U.S. biogas industry dedicated to maximizing carbon reduction and economic growth using biogas systems. We represent more than 400 companies leading the way to a better future by maximizing all the positive environmental and economic impacts biogas systems offer when they are used to recycle organic material into renewable energy and soil products. All of this is an effort to protect our air, water, and soil – crucial parts of the solution our members provide to help California meet its environmental and climate goals. The technology-neutral and scientifically-based design of the LCFS recognizes the benefits of projects that collect biomethane that would otherwise be emitted to the atmosphere making it available for use in transportation. These are foundational pillars of the program that cannot afford to be lost in future rulemakings.

The ABC is encouraged to see that CARB staff issued a second 15-Day changes package following the feedback received on the first 15-Day changes package, which was released on August 12, 2024. While the second 15-Day changes package focused on more targeted modifications to the proposed regulatory text, the ABC would like to express our general support for the new amendments to the program. More specifically, the ABC supports 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.

Additionally, the ABC would like to express our approval of the addition of a temporary pathway for low-carbon intensity (CI) electricity produced by a fuel cell from biomethane from dairy or swine manure as well as the clarification on the temporary fuel pathway for hydrogen produced from dairy or swine biomethane. It is also our understanding that, in principle, the addition of this temporary pathway utilizing fuel cell technology is about uplifting non-combustion technologies, thus supporting other innovative, non-combustion technologies such as linear generators operating on renewable fuels.<sup>1,2</sup> Similarly, the 15-day changes propose to allow for book-and-claim accounting of biomethane to produce electricity for

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<sup>1</sup> Assembly Bill 1921 (Papan, Chaptered 2024).  
[https://leginfo.ca.gov/faces/billNavClient.xhtml?bill\\_id=202320240AB1921](https://leginfo.ca.gov/faces/billNavClient.xhtml?bill_id=202320240AB1921)

<sup>2</sup> California Energy Commission, *SB 423 Emerging Renewable and Firm Zero-Carbon Resources Report (Draft)*. August 2024. <https://efiling.energy.ca.gov/Lists/DocketLog.aspx?docketnumber=21-ESR-01>

electric vehicle charging, but only if the electricity generated is from a fuel cell. Both of these modifications increase the application of biomethane beyond its traditional uses in other technologies. Recognizing the importance that biomethane has in advancing non-combustion technologies, such as fuel cells, is a critical part of the energy transition and will help California meet its climate goals.

The ABC, however, does not support the phaseout of avoided methane emission crediting in the 45-day package, nor the modified language regarding the requirements for crediting periods in the second 15-day changes. The second 15-Day changes package adjusts these requirements to state that a project certified before the effective date of the regulation is allowed three consecutive 10-year crediting periods, and projects certified after the effective date of regulation or after January 1, 2030, will be limited to two consecutive 10-year crediting periods. The ABC believes that CARB should honor the dairy biomethane projects developed under the previous rules, specifically those that have received a temporary CI score before the new amendments go into effect, and allow these projects to be eligible for three consecutive 10-year crediting periods. There are two years of operating projects set to come online that were developed with the assumption that they were eligible for three consecutive 10-year crediting periods but will now be forced to have two consecutive 10-year crediting periods due to CARB's long wait times for project certifications. As stated in our August 27, 2024, comment letter, any changes to this system places these projects at a significant disadvantage, could potentially lead to shutdowns, and will certainly stifle investments in new projects going forward.<sup>3</sup> Emission reductions continue to occur for the life of the methane capture project (i.e., the biomethane digester's asset life). Therefore, the crediting period for avoided emissions should mirror the asset life of the capture technology, which is greater than 20 years. Furthermore, the ABC would like to reiterate that we do not believe the addition of deliverability requirements under the program is necessary. The ABC urges CARB to work with biomethane stakeholders to come up with a better solution for these issues.

As stated in our February 16, 2024, comment letter on the 45-Day package, the proposal indicates that a shortfall (i.e., a verified operational CI that is higher than the certified CI upon which project credits were generated) is subject to a "penalty" that is 4 times the spread for the applicable volume of fuel.<sup>4</sup> The rationale for a 4X spread is unclear as a smaller spread (e.g., 2X) serves as a significant disincentive to producers for being overconfident in their analysis. The ABC asks CARB to explain their rationale for including this provision and to consider a more balanced response that provides flexibility to consider situation-specific factors rather than defaulting to a 4X penalty.

Over the past two years, CARB staff have held numerous public workshops to gather feedback on potential changes to the program, where ABC participated, and we are happy to see that the rulemaking is nearing completion. As the technology in the transportation sector continues to evolve and advance towards lower carbon alternatives, ABC members are following suit and are ready to serve these new markets, such as alternative jet fuel (AJF), low-CI hydrogen, as well as exploring opportunities where biomethane can be utilized outside of transportation. As these markets continue to grow, the ABC asks CARB to remain mindful of the success of the historical framework of the program and to continue to apply it to newer pathways and technologies, including the use of avoided emissions and book-and-claim. Additionally, the ABC recommends that CARB, starting with the 2024 amendments to the LCFS, send a clear policy signal that biomethane is a necessary and effective decarbonization strategy in these other sectors (e.g., residential, commercial, industrial) that are fundamental to the state meeting its ambitious GHG reduction targets.

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<sup>3</sup> American Biogas Council Comments on the first 15-Day Changes Amendments to the Low Carbon Fuel Standard. August 27, 2024. <https://www.arb.ca.gov/lists/com-attach/7513-lcfs2024-ADIGNFdmVzwGMgl1.pdf>

<sup>4</sup> American Biogas Council Comments on the Proposed Amendments to the Low Carbon Fuel Standard. February 16, 2024. <https://www.arb.ca.gov/lists/com-attach/7513-lcfs2024-ADIGNFdmVzwGMgl1.pdf>

Lastly, the ABC strongly urges the Board to swiftly adopt the amendments now. We would like to thank CARB staff for their hard work and persistence throughout this rulemaking, and we look forward to working with staff on these issues in the future.

Sincerely,

A handwritten signature in black ink, appearing to read "Patrick Serfass", with a stylized flourish at the end.

Patrick Serfass, Executive Director