The Honorable Dr. Steve Cliff
Chair, California Air Resources Board
1001 I St, Sacramento, CA 95814
Sacramento, California 95814

April 14, 2025

RE: Third Notice of Public Availability of Modified Text and Availability of Additional Documents and/or Information: Proposed Low Carbon Fuel Standard Amendments

Dear Dr. Cliff:

Clean Energy continues to support the amendments to the Low Carbon Fuel Standard (LCFS) that were adopted by the California Air Resources Board on November 8, 2024 and supports immediate approval by the Office of Administrative Law (OAL) of the Third 15-day Package, especially before July 1, 2025 so the amendments can be in effect for reporting in the first quarter of 2025.

Clean Energy, headquartered in California, was a foundation stakeholder in support of the LCFS. As North America's largest provider of renewable natural gas (RNG) transportation fuel with over twenty-eight years of leading industry experience, Clean Energy provides construction, operation and maintenance services for refueling stations nationwide. We have a deep understanding of the growing marketplace, as our portfolio includes over 600 stations in 43 states, including over 250 in California.

We want to emphasize the need for immediate approval to create investment certainty, which has been placed in jeopardy since the amendments were disallowed by OAL. Credit prices were in the early $70s before the decision and then in the low $50s by early April. Furthermore, the executive order issued by President Trump titled "Protecting American Energy from State Overreach" has concerned the credit market and is another reason for prompt adoption by OAL to stabilize credit prices and provide certainty.

These amendments will not increase fuel pump prices. Recent analyses show that retail fossil fuel prices are strongly influenced by many factors (e.g., global events, holiday weekends, seasonal fluctuations, refinery disruptions and decisions about production that affect supply, refinery pricing decisions, seasonal fuel blends, and taxes) and fossil fuel producer pricing strategies are complex, reflecting local and regional market conditions. **As CARB has noted: "The reality is that the actual cost pass-through from LCFS to retail gasoline or diesel prices is uncertain, that there is no correlation between historical LCFS credit prices and gasoline prices, and that the LCFS is not a major driver of overall retail fuel prices in**

California." This has been demonstrated this year with the increase in fuel pump prices and near an all-time high while LCFS credit prices are near historic lows.

The LCFS is a cost-effective critical tool not only to effectively meet carbon emission reduction targets, but also as a mechanism that fosters technological innovation, supports a robust market for alternative fuels, provides long-term investment certainty and stimulates job creation and investment.

In addition, the LCFS provides compliance flexibility to producers of high carbon intensity transportation fuels to either invest in low carbon alternative fuels or to purchase credits from low carbon fuel producers. This market-based program enables regulated parties to make their own choice as to whether to invest in low carbon fuels directly or to continue to sell purely high carbon emitting fuels.

We appreciate CARB's commitment to ambitious state goals and targets, backed by science-based and fuel neutral policies. The LCFS needs to be stringent and continue rewarding projects based GHG outcomes. Remaining true to these core concepts will ensure California leads the world in rapid transportation sector decarbonization.

Sincerely,

Ryan Kenny
Policy Director – Western U.S.
Clean Energy