



November 5, 2020

Submitted electronically to ldfs-wkshp-oct20-ws

Rajinder Sahota, Division Chief, Industrial Strategies Division
Anil Prabhu, Manager, Fuels Evaluation Section
California Air Resources Board
1001 I Street
Sacramento, CA 95814

Re: Low Carbon Fuel Standard Public Workshop to Discuss Potential Regulation Revisions, October 14-15, 2020 (the "**October Workshop**")

Dear Ms. Sahota, Mr. Prabhu and CARB Staff:

As a renewable natural gas and renewable fuel credit marketer, Element Markets Renewable Energy, LLC ("**EMRE**" or "**Element Markets**") collaborates with multiple participants in the marketplace to facilitate the availability and use of renewable transportation fuel to California, including biomethane producers, transportation fuel producers/dispensers and EV fleet owners. EMRE greatly appreciates the willingness of CARB staff to consider our comments at this initial stage of the process. We hope our unique perspective on the program will be helpful in your continued efforts to refine the LCFS program in furtherance of its objectives.

EMRE looks forward to receiving additional information regarding the potential amendments discussed during the October Workshop. Given the preliminary nature of some of the proposals we are unable to provide feedback on all items at this time, but EMRE is pleased to provide preliminary feedback regarding the considerations from the October Workshop listed below.

Fuel Pathway Application Review and Certification Process

We support the concept of clarifying the pathway review and certification processes to ensure that both CARB staff and applicants share a common understanding of the processes and their respective requirements. We believe it would greatly reduce the burden on CARB staff (and anxiety on the part of applicants calling staff for timing updates) if a web-based resource existed to provide applicants with transparency into expected review timing upon submission of the application, the required levels of review for each type of pathway and real-time visibility into the progress of individual applications through each stage of the process.

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Credit True-up for Temporary Pathway CIs

EMRE commends CARB for considering a true-up of credit generation between temporary and certified pathway CIs. While we are in favor of using a conservative temporary value until the actual CI of a project is determined, the current construct penalizes project owners bringing low carbon fuels to market until the actual carbon avoidance of the fuel is recognized under the program. With a true up in place, the actual carbon avoidance of each unit of fuel produced is recognized under the program.

FSE Registration

While we understand the benefit of having FSE data finalized by the end of a generation quarter, final FSE data may not be available until after the generation quarter ends due to the 25-day delay inherent to physical natural gas reporting. For this reason, EMRE respectfully requests that CARB staff amend the proposal to require that FSE data be submitted by the midpoint of the reporting quarter (for example, by May 15 for Q1 reporting).

Electricity Dispensed for Electric Forklift Fueling

EMRE respectfully requests that CARB continue to allow small forklift fleets (200 units or less) to estimate usage based on a CARB-approved methodology to ensure that the complexity associated with implementing and maintaining calibrated metering does not deter smaller fleets from participating in the LCFS program.

Uses of On-Vehicle Telematics

EMRE is generally supportive of expanding the potential use of on-vehicle telematics to measure electricity usage in transportation applications beyond residential EV charging provided that (i) the use of telematics is not required to the exclusion of other methods and (ii) the use of telematics provided by a third-party would not change the first reporting entity for the fleet.

REC Retirement for Low-CI Electricity

EMRE commends CARB's efforts to standardize the process associated with evidencing REC retirement associated with low-CI electricity across the LCFS. With respect to requiring REC generation for directly supplied low-CI electricity that is REC eligible, we note the following for CARB's consideration:

- RECs are generated in arrears following submission of evidence of qualifying generation.
- Directly supplied low-CI electricity is used when generated, but RECs associated with that generation would not be available at the time the electricity is used (and, depending on the quarter in which REC generation occurs, may not be available for reporting until after the reporting quarter closed).
- To address any timing differences between usage and availability of RECs with respect to directly supplied electricity, we respectfully request that CARB clarify that directly supplied generation can be reported in the quarter of use, while the RECs evidencing that generation are retired within the quarter in which they are made available in WREGIS.

Miscellaneous

We appreciate CARB's efforts to increase flexibility for first fuel reporting entities across all fuel types to designate a third-party designee for generation and reporting, as well as to standardize the data management system requirements to simplify the reporting process.

EMRE also looks forward to receiving additional detail regarding the proposed amendments to clarify spending requirements on LCFS proceeds from "electricity credits". EMRE supports an approach to spending requirements that incentivizes continued investment in EV infrastructure but gives organizations embracing EVs the flexibility to use proceeds to support other operational expenditures.

Thank you for your efforts to improve administration of the LCFS and for providing EMRE with the opportunity to provide our initial thoughts with respect to the proposed potential amendments. Please contact me or any of my colleagues at your convenience if we can be of assistance and we look forward to additional discussions regarding the LCFS program and achievement of California's climate goals.

Sincerely,

A handwritten signature in black ink, appearing to read "Keri Richardson Bevel". The signature is fluid and cursive, with the first name "Keri" being the most prominent.

Keri Richardson Bevel
Senior Vice President and General Counsel
Element Markets Renewable Energy, LLC
kbevel@elementmarkets.com