

October 16, 2024

Via Email

Rajinder Sahota, Deputy Executive Officer, Climate Change & Research
Edie Chang, Deputy Executive Officer, Planning, Freight & Toxics
Matt Botill, Chief, Industrial Strategies Division
California Air Resources Board
1001 I Street,
Sacramento, CA 95814

Re: Low-Carbon Methanol as Opt-In Fuel for LCFS

Dear Ms. Sahota, Ms. Chang, and Mr. Botill:

On behalf of Centerline Logistics, I want to thank you for meeting last month with stakeholders to discuss low-carbon methanol as a potential marine fuel in the near term to promote reduction of greenhouse gas, air toxics, and criteria pollutant emissions at California ports and in the areas surrounding the ports. I understand that others are also communicating their separate support for action by CARB to promote opt-in of low-carbon methanol under the LCFS. We wanted to write to you separately to provide our individual endorsement of CARB moving forward with a rulemaking to create this optionality.

Centerline Logistics is U.S.-based provider of energy transportation services, delivering essential fuels for both domestic and international supply chains. We are the largest operator of tank barges and associated tugs in California. As discussed at the meeting, low-carbon methanol could be a near-term drop-in fuel option that reduces greenhouse gas emissions as well as other pollutants. It is important to have as many alternative fuel options available to come online as quickly as possible. There are numerous fuels that will have a role in decarbonizing the ports, but it is important to recognize that the need for liquid fuels will continue to exist, and that any alternatives that also improve near port air quality in the near term could be harnessed while longer term options are explored and developed.

While you heard from the full range of the supply chain stakeholders that would be needed to make marine methanol fuel a reality at the Ports of Los Angeles and Long Beach, Centerline Logistics is prepared to play its role in advancing this effort. Centerline is actively preparing our barges to be capable of providing methanol as a marine fuel.

We understand that the timeline of the current rulemaking may preclude including this option now, but we hope that CARB will take immediate steps to advance such a rulemaking. Such action will provide needed incentives for the investment needed to bring methanol in as a drop-in fuel. The ability to generate LCFS credits as an opt-in fuel would serve as the necessary incentives.

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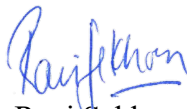
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In sum, adding regulatory language to the LCFS that allows credit generation for low-carbon Methanol in marine transport would be consistent with California's first-mover history in policies to accelerate decarbonization, fully align with the Board's environmental justice initiatives to improve air quality right away in and near the ports, support California's efforts and requirements to achieve increasingly stringent national ambient air quality standards for particulate matter and sulfur dioxide, support achieving the Scoping Plan's 85% 2045 greenhouse gas reduction target, and dramatically reduce diesel use in the ports.

We hope that the Board can include in the November 8, 2024, adopting resolution language direction to staff to pursue in short-order methanol as an approved opt-in fuel for the LCFS program under Section 95482. We believe this could be a first step toward broader inclusion of e-fuels, including low-carbon methanol. For now, the benefits of low-carbon methanol in marine applications, on their own, more than justify a regulatory amendment. Direction from the Board would be helpful in ensuring that staff can devote resources to pursuing this type of amendment and would signal the Board's support for low-carbon methanol as a commercially viable renewable fuel.

If you have any additional questions, please feel free to contact me at rsekhon@centerlinelogistics.com.

Sincerely,



Ravi Sekhon
Director of Engineering & Sustainability
Centerline Logistics