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Clerk of the Board, Air Resources Board
1001 I Street
Sacramento, CA 95814

Via electronic submittal to: <http://www.arb.ca.gov/lispup/comm/bclist.php>

Re: **Notice of Public Hearing to Consider Adoption of a Proposed Regulation to Implement the Low Carbon Fuel Standard (LCFS) – ConocoPhillips Comments**

Dear Clerk of the Board,

ConocoPhillips appreciates the opportunity to comment on this regulatory activity. ConocoPhillips is directly impacted as we will be a "regulated party" as defined by these proposed regulations. ConocoPhillips owns and operates two refineries in the State of California. In addition, we have pipeline, terminal, and marketing assets in the State that distribute fuels produced at our refineries. We are a member of the Western States Petroleum Association (WSPA) and support the comments submitted by WSPA.

In addition to California activities, our company is also a very active participant in other international, national, state and local initiatives that attempt to address green house gas emissions (most notably our involvement with the United States Climate Action Partnership (USCAP)).

ConocoPhillips has been engaged throughout this regulatory development process. Our staff has participated in the workshop process, the "workgroup" process, participated in trade association (WSPA) meetings with ARB staff, has held individual private meetings with ARB staff, and has provided written comments on every draft regulatory proposal submitted by staff. Regardless of our efforts, we do not feel that many substantive comments have been adequately addressed by ARB staff. Our key points are summarized below. Detailed comments (many of which were provided previously are included as an attachment).

Point 1 ConocoPhillips remains extremely concerned about the promulgation timeline and allowance for due process in rulemaking while providing regulated parties an adequate timeline for compliance relative to the Early Action Process. ARB staff has indicated that they plan to come back to the Board before the end of the year to "finalize" this incomplete regulation.

Point 2 It is essential that the program contain a realistic compliance schedule that is coupled with commercially feasible, proven, and cost-effective compliance options for obligated parties. Mandatory periodic reviews will help ensure that this essential element is maintained. Periodic reviews will make consumers, policy makers, and industry better informed about the feasibility and potential economic benefits or detriments of the program.

Point 3 The California program needs to harmonize with Federal programs (such as other federal GHG policies but especially with the revised renewable fuel standard and its LCA methodology and accounting approaches (EISA07)).

Point 4 All fuels, fuel components, and feedstocks need to be treated equitably (this should include different sources of crude oil such as Canadian oil sands). The California program should fully recognize and consider any controls and carbon management practices that are imposed at the production site in other countries.

Please feel free to contact me if you have questions regarding our comments.

Sincerely,

<H. Daniel Sinks>

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