



December 21, 2022

The Honorable Liane Randolph
Chair, California Air Resources Board
1001 I Street
Sacramento, CA 95814

RE: CNGVC Comments in Response to November 9, 2022 Public Workshop on Potential Modifications to the Low Carbon Fuel Standard

Dear Chair Randolph,

The California Natural Gas Vehicle Coalition (CNGVC) appreciates the opportunity to provide comments to the California Air Resource Board (CARB) in response to the November 9, 2022 workshop on "Potential Modifications to the Low Carbon Fuel Standard" (Workshop).

The CNGVC is a diverse coalition of renewable fuel providers, fleet operators, engine and vehicle manufacturers, and utilities whose sole focus is emission reductions from criteria, toxic and greenhouse gas (GHG) pollutants originating in the heavy-duty (HD) transportation sector. We are dedicated to the use of renewable fuels, particularly the use of carbon-negative renewable natural gas (RNG) in HD trucks, as a proven solution to help California immediately realize its decarbonization and air quality goals.

Therefore, CNGVC supports CARB action that will continue the inclusion of RNG as a credit-generating fuel under the Low Carbon Fuel Standard (LCFS). Such action will maintain the Program's diversity and volume of low-carbon fuels options without arbitrary limits or radical policy changes. Accordingly, we offer the following comments in response to the Workshop proposal:

- We align our position with the thoughtful comments and concerns expressed by the Coalition for Renewable Natural Gas in their letter submitted on the Workshop. We also join with the many other stakeholders from across various industries to strongly urge CARB to pursue a "do-no-harm" approach for biomethane as it considers "revisions" to the LCFS. We support staff's consideration of Alternative C for Biomethane, which will maintain the continued use of both "Avoided Methane Credits" and the "Book & Claim" process.

- We oppose any efforts to reduce or restrict RNG production, which will lead to devastating declines in private capital investment for new and existing methane reduction projects in and outside California; instability in the LCFS carbon market; increased GHG and Short-Lived Climate Pollutants (SLCP) emissions; and threaten ability to meet the state’s decarbonization goals.

LCFS is a primary driver for the effective and efficient capture and reuse of methane – the world’s second most abundant GHG and a potent SLCP. Therefore, continuous methane emission diversion, regardless of location, should be encouraged. Credits for avoided methane emissions results in market certainty and stability that drives private investment for projects that would otherwise be cost-prohibitive for participants. Without the credits, the state’s ability to achieve the goals and requirements found in both the 2022 Scoping Plan and Senate Bill 1383 will be threatened.

Similarly, the proposed changes to the Book & Claim process would unnecessarily constrain RNG supply in California. Both in-state and out-of-state RNG production is critical to keep up with the growing demand for RNG in all sectors of the economy, including transportation. According to the recently released “Supplemental Workshop FAQ Document¹,” staff’s assumed increase in RNG supply is directly connected to the incentives fuel production receives under the LCFS. Eliminating that support via the phase out proposed under Alternatives A and B could severely limit supply in the near-term and erase those anticipated production gains for the outyears.

- We strongly discourage limiting the use of RNG in medium- and heavy-duty (MHD) vehicles today or tomorrow. **The best and highest use for RNG still remains in the HD transportation sector.** Diverting RNG use away from transportation will result in continued and even increased exposure to toxic diesel pollution for the state’s most vulnerable populations adjacent to the transportation corridors. Even though RNG can yield significant and beneficial emission reductions in other industry applications, the most effective, immediate use for RNG is in the “hard-to-electrify” HD transportation sector. This use should be prioritized and any other industry uses should be secondary.

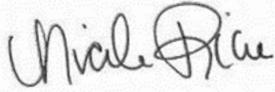
With a majority of California medium- and heavy-duty (MHD) trucks being fueled by higher-emitting diesel, the most immediate way to decarbonize the transportation sector is to displace MHD diesel trucks with renewable fuels. And, the most readily available option today is RNG. Engines powered by RNG are *certified by CARB* as 90% cleaner than diesel and RNG is the only negative carbon intensity fuel under the LCFS, at -33.36 gCO₂e/MJ for all of 2021². California must continue to promote the production and use of **ALL** renewable lower carbon fuels. Lower- and negative carbon fuels, and the vehicles that use them, are critical to the state achieving its climate goals.

¹ https://ww2.arb.ca.gov/sites/default/files/2022-12/SupplementalFAQ_LCFSWorkshop.pdf

² <https://cngvp.org/wp-content/uploads/2022/06/CARB-Data-Fact-Sheet-July.pdf>

We look forward to continued conversations on the LCFS. Feel free to contact me at nicolerice@cngvc.org if you have any questions regarding our comments.

Respectfully,

A handwritten signature in black ink that reads "Nicole Rice". The signature is written in a cursive style with a large initial "N".

Nicole Rice
President, California Natural Gas Vehicle Coalition

cc: CARB Board Members
Ms. Jamie Callahan, Chief of Staff and Policy Advisor to Chair Randolph,
California Air Resources Board
Ms. Lauren Sanchez, Senior Advisor for Climate, Office of the Governor
Ms. Hazel Miranda, Deputy Legislative Secretary, Office of the Governor