



Finding a better way

December 15, 2021

California Air Resource Board
Low Carbon Fuel Standard
1001 I Street
Sacramento, CA 95814

Re: Tier 2 Pathway Application Nos. B0207; Response to Hammerschlag, LLC

Dear Chairperson Randolph:

US Venture, Inc. and Dane Renewable Energy, LLC ("Pathway Co-Applicants") are responding within the scope of the Low Carbon Fuel Standard ("LCFS") program §95488.7(d)(5)(A) to the commenter, Hammerschlag, LLC, in a letter regarding the Tier 2 Pathway Application (B0207) submitted December 11, 2021.

The Pathway Co-Applicants will address the Commenter letter, identified by sections in **bold**, and respond to all comments raised by the Commenter. We believe that no revisions to our pending application are needed following sufficient review and approval of our response by California Air Resource Board ("CARB").

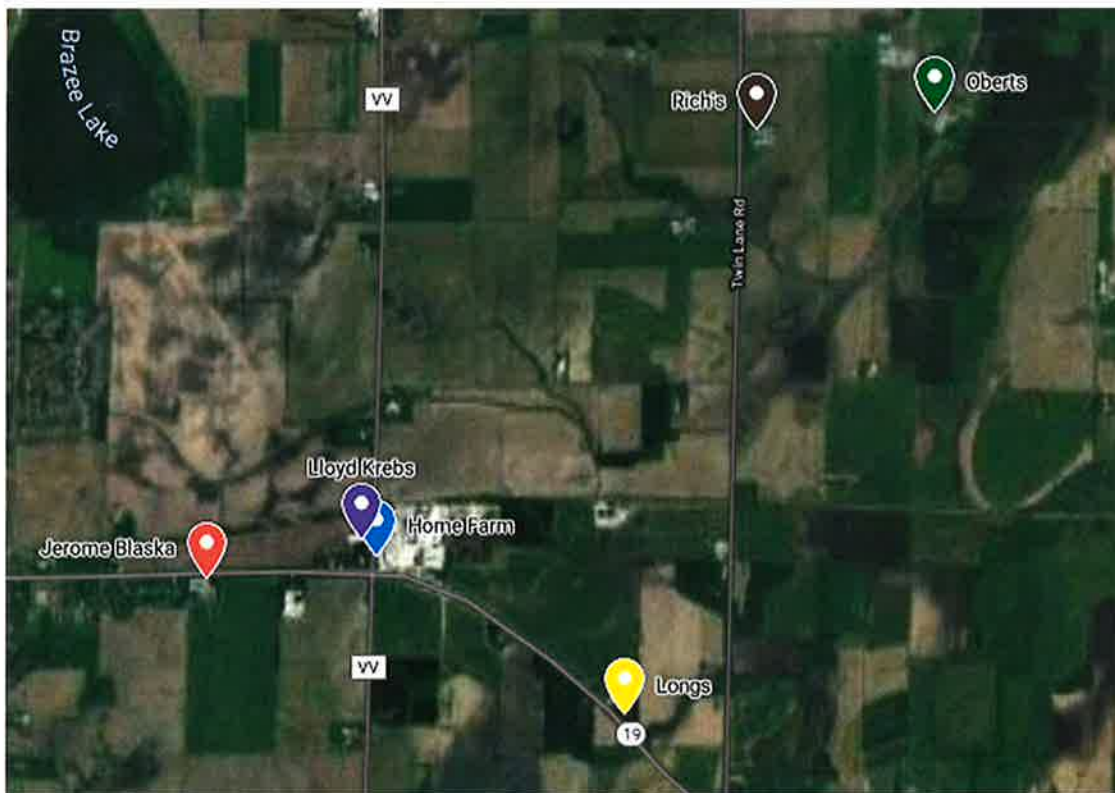
The Pathway describes five satellite farms supplying manure to a central digester located at Statz Home Farm, making this application closer to a true, community digester than any other LCFS pathway certified to date.

The Co-Applicants do not believe the five satellite "farms", which are more accurately described as barns, supplying manure to the Home Farm digester represent a relationship akin to a community digester. These five satellite barns were acquired as many as 30 years ago and are wholly owned and operated by Statz Bros, Inc. They are not stand-alone farms but barns that sit on contiguous property that do not contain their own active manure storage basins. The manure from these barns is hauled by tractor in open trailers to the Statz Home Farm for storage and processing. Furthermore, community digesters in their truest sense are typically located separate from a farm operation, with all supplied manure trucked to that location. In this application however, the digester is located at the Home Farm with the vast majority of the manure processed in the digester coming from the collocated Home Farm operations. It is for these reasons that the Co-Applicants do not believe this application represents a community digester arrangement.

I recommend that the applicant populate a suite of six Tier 1 Simplified CI Calculators that properly account for the unique manure handling of each farm in the baseline and project cases, and therefore account for the large influences baseline methane and fugitive methane emissions have on the carbon balance. Presuming the applicant prefers a single CI representing the Pathway, this can still be computed as a weighted average. Doing so is critical for setting the right precedent for assessing CIs of future, community digester pathways.

The Co-Applicants feel that the currently modeled CI calculator for Statz Home Farm adequately and correctly models for the manure handling practices at each of the five satellite barns. As mentioned in the application, prior to the digester the five satellite barns stacked and applied their respective manure. Because they were not stand-alone farm operations with active manure storage basins, they do not have a baseline to model. Furthermore, each of the five satellite barns all followed similar manure handling practices prior to the installation of the biogas collection system (“BCS”) so even if individual calculators for each satellite barn could be modeled, they would be redundant and would not improve the accuracy of the calculated CI in our view. In summary, we feel that the CI modeling of the Statz Home Farm and satellite barns is adequate and correct and does not set a precedent for assessing CIs of community digester pathways.

Statz Home Farm Satellite Barn Locations for Reference





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We thank you for the opportunity to respond to comments on this fuel pathway application and we respectfully request that the Executive Officer certify the pathway pursuant to §95488.7(d)(5)(B).

Sincerely,

A handwritten signature in blue ink, appearing to read "Michael L. Koel".

Michael L. Koel
President
U.S. Gain, a division of U.S. Venture, Inc.