

June 9, 2023

Ms. Cheryl Laskowski
Branch Chief, Low Carbon Fuel Standard Team
California Air Resources Board
1001 I Street
Sacramento, California 95814

RE: Comments on Low Carbon Fuel Standard Virtual Community Meetings

Dear Ms. Laskowski:

Thank you for the opportunity to provide further comments to the California Air Resources Board (CARB) on planned updates to the Low Carbon Fuel Standard, as presented by Staff in the May 31 and June 1, 2023 Low Carbon Fuel Standard Virtual Community Meetings.

We respectfully submit the following addendum to our prior comments regarding book-and-claim accounting accessibility for renewable natural gas (RNG) and hydrogen to EV charging pathways, dated July 26, 2022.

Prologis believes that there is no meaningful difference in the validity of using of directed biogas RNG for electricity generation, CNG fuel stations, or hydrogen production facilities. Similarly, Prologis believes there is no meaningful difference in the validity of using directed hydrogen for electricity generation or hydrogen stations. Physically transporting RNG from producers to medium- and heavy-duty electric vehicle charging hubs is simply not scalable and cost prohibitive. Therefore, Prologis recommends editing existing regulations to expand eligibility to directed biogas via book-and-claim accounting as follows:

95488.8(i)(2)

“(2) Book-and-Claim Accounting for Pipeline-Injected Biomethane Used as a Transportation Fuel or to Produce Hydrogen or to generate Electricity. Indirect accounting may be used for RNG used as a transportation fuel or to produce hydrogen or to generate Electricity for transportation purposes (including hydrogen that is used either in the production of a transportation fuel or in the generation of Electricity for transportation purposes), provided the conditions set forth below are met:

- (A) RNG injected into the common carrier pipeline in North America (and thus comingled with fossil natural gas) can be reported as dispensed as bio-CNG, bio-LNG, or bio-L-CNG, or as an input to hydrogen production, or as a fuel source for electricity generation, without regards to physical traceability. Entities may report natural gas as RNG within only a three-quarter time span. If a quantity of RNG (and all associated environmental attributes, including a beneficial CI) is pipeline-injected in the first calendar quarter, the quantity claimed for LCFS reporting must be matched to natural gas sold in California as RNG no later than the end of the third calendar quarter. After that period is over, any unmatched RNG quantities expire for the purpose of LCFS reporting.
- (B) To substantiate RNG quantities injected into the pipeline for dispensing as bio-CNG, bio-LNG, or bio-L-CNG, or as an input to hydrogen production, or electricity generation for transportation purposes, the pathway application and subsequent Annual Fuel Pathway Reports must include the following documents linking the environmental attributes of RNG (in MMBtu or Therms) with corresponding quantities of natural gas withdrawn: unredacted monthly invoices showing the

quantities of RNG (in MMBtu) sourced and the contracted price per unit; and the unredacted contract by which the fuel pathway holder obtained the environmental attributes.”

95488.8(g)(1)(A)(2)

“Biomethane supplied using book-and-claim accounting pursuant to section 95488.8(i)(2) and is claimed as feedstock in pathways for bio-CNG, bio-LNG, bio-L-CNG, hydrogen via steam methane reformation, and electricity generation;”

About Prologis, Inc.

Headquartered in San Francisco, CA, Prologis, Inc. is the world’s leading owner, operator, and developer of industrial real estate, focused on global and regional markets across the United States (U.S.), the Americas, Europe, and Asia. The company also leases modern distribution facilities to customers, which include manufacturers, retailers, transportation companies, third-party logistics providers, and other enterprises.

Prologis is also the world’s leader in logistics real estate solutions, with a U.S. footprint covering approximately 782 million square feet of warehouses and distribution centers in about 3,796 buildings in 21 states. California is our largest market, where our portfolio includes over 160 million square feet of space. These assets are an essential link in the flow of products throughout the country, with \$1.78 trillion worth of goods flowing through Prologis’ American distribution centers each year. This accounts for 36% of all goods shipped throughout the country and 7.6% of U.S. GDP across a wide variety of product categories, including food and beverage, apparel, electronics, medical supplies and pharmaceuticals, building and transportation supplies, and automotive supplies. Further, Prologis and its customers contribute roughly \$38 billion to the U.S. tax base every year.

In addition to providing exceptional service to its customers, Prologis distinguishes itself by working closely with each community in which it operates to ensure sustainable development, develop workforce solutions for the next generation of talent for the logistics industry, and provide environmental stewardship and leadership.

Prologis is also defining the future of commerce through investments in emerging technologies through Prologis Ventures. Its investment strategy is focused on addressing Prologis customers’ most critical pain points and driving operational efficiencies in labor, transportation, warehouse operations, energy, and digital.

We are committed to being a national leader in the rollout of EV charging stations and providing enabling infrastructure to support Governor Newsom’s Executive Order N-79-20 to transition light-duty and heavy-duty vehicles to ZEVs. Prologis supports our customers globally with various retrofit and build-to-suit vehicle electrification projects across last-mile and heavy-duty applications. As EV adoption accelerates, we expect EV charging to be ubiquitous across our portfolio around the world. We are here to empower our customers in their transition to a zero-emission vehicle future. Prologis is focused on supporting the net zero carbon transition of the movement of goods across long haul, last mile, drayage, and amenity.

Prologis works closely with its customers to understand their environmental goals and programs and has set a goal of achieving net zero operations across its value chain by 2040. Prologis’ rooftop solar installations are a brand differentiator and place us third for on-site solar capacity among U.S. companies.

We currently have 342 megawatts (MW) of solar generating capacity installed across our portfolio as of July 2022, with a goal of 1 GW of solar supported by storage by 2025.

By staying ahead of what's next, Prologis is helping to shape the next generation of American infrastructure and commerce.

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