



September 22, 2023

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

Re: Support for the Low Carbon Fuel Standard

Dear Chair Randolph and the Members of the California Air Resources Board:

It has come to our attention that a series of rule changes are under consideration by your board that would negatively impact the potential for growth in methane avoidance and further decarbonization of the transportation sector. It is our sincere hope that this will not come to pass as a great deal of effort and investment has been made by many with the understanding that CARB's goal was to achieve the greatest impact possible in the prevention of greenhouse gas (GHG) emissions.

Avoided methane crediting is a dependable way to produce real GHG reductions immediately, and the models and accounting systems (primarily driven by Argonne National Lab's GREET model) that underlie this process are backed by widely respected science and have produced consistent results.

CARB's own reporting has indicated that the dairy digester methane avoidance program has proved to be the most cost-effective GHG reduction initiative. Not only has this program been highly efficient and effective at methane emission avoidance but it has the secondary benefit of reducing potential ground water runoff from the previous practice of field spreading of manure from lagoons.

Further, the Biomethane Book & Claim rule has allowed the benefits of CARB's GHG reduction efforts to be widely implemented in the US dairy sector resulting in an ever-expanding decarbonization effort beyond the borders of California. Since GHG emissions don't recognize state borders, the Biomethane Book & Claim capability, which is consistent with renewable electricity standards, promises the same national transformation. Limiting this capability would retard GHG emissions reductions nationwide and negate the immense value of utilizing the existing pipeline infrastructure.

Pacific Ag Renewables, LLC (PAR) is a subsidiary of Pacific Ag, LLC. PAR was designed for the purpose of utilizing the strengths built by our company over 25 years in agribusiness towards development and operation of the best-in-class bioconversion technology in the industry. Pacific Ag, and now PAR, is prominently placed among the small group of companies who can catalyze "real" change in the decarbonization of the economy.

Pacific Ag has succeeded for many years by fostering relationships with agriculturists in over 25 states from coast to coast. Over 1,300 growers and over 275 dairies have either contracted our services or secured our products.

Pacific Ag's history has provided our company with a unique perspective into the challenges faced by both crop producers and dairy farmers. One major challenge faced by all producers is the management of wastes and by-products. It is our belief that those in agriculture do their very best to competently manage their wastes, but Pacific Ag Renewables can offer a solution which will do even better.

PAR's model is the development of a series of anaerobic digesters in key areas of the country that will combine our logistics expertise in crop residue management and our relationships with the neighboring dairy farmers. The digesters will have the capability of co-digestion of residue and dairy manure resulting in vast reductions of methane emissions.

Further, our approach is to build, own and operate large-scale, hub and spoke model digesters that allows us to engage with small and medium sized dairies that would not otherwise afford an on-dairy digester. This lets us dive deeper into the dairy sector to divert more manure from methane-producing lagoons. All these efforts rely on both the methane avoidance credits and the book and claim rules.

Project viability in this space rests on three very important regulatory positions: 1). Stay with the established science of the GREET model, 2). Methane avoidance from the digestion of dairy manure continues as a pathway for the generation of LCFS credits and 3). Digesters located outside of California can continue to participate in the LCFS program through the Book and Claim system. By removal or reduction of these important features of your program, California risks turning an emerging national industry with immense impact in decarbonizing the transportation sector into a limited local one.

Pacific Ag deeply believes that agriculture will play an important role in the reduction of GHG emissions and that methane avoidance will be key to that reduction. It will take time to bring the digester industry to scale, just as it will take time for robust new LCFS markets to reach the point where California is now. California has proven itself to be a leader in this area, to the point that other markets are statutorily tied to California. Until another equally robust market takes shape, large-scale national efforts at methane avoidance will continue to rely on access to the California LCFS market, via book and claim, and on a California market that rewards businesses that reduce methane emissions.

Sincerely,

Harrison Pettit, Chief Development Officer

Harrison Pettit

CC:

Steve Cliff, Executive Director

Rajinder Sahota, Deputy Executive Director for Climate Change and Research

Matt Botill, Division Chief