



September 28, 2020

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

Attention: Mr. Anil Prabhu

Re: Tier 2 Pathway Application: Application No. B0072; Response to Association of Irrigated Residents and Others

Dear Mr. Prabhu,

logen D3 Biofuels Partners II LLC (“logen”) writes on behalf of WOF PNW ThreeMile Project (“The Project”) to provide responses to the comments received in a letter dated September 24, 2020 from The Association of Irrigated Residents and others (the “Commenter”) regarding the Tier 2 Pathway Application (No. B0072) for Compressed Natural Gas (“CNG”) from Dairy Manure.

logen is responding within the scope of the Low Carbon Fuel Standard (“LCFS”) program as per § 95488.7(d)(5)(A). The Commenter letter contains four main sections. This response is also divided into these four sections with bolded headings listing each concern, followed by logen’s response to all potential factual or methodological errors raised in that section in compliance with the cited regulation. As explained in more detail below, logen believes that no revisions to its pending application are needed.

Lack of Available Information and Data Transparency

The Commenter claim that the application withheld or redacted information such that independent review is not possible is incorrect. With respect to the comments about data used for the calculation of GHG emissions and the Carbon Intensity (“CI”) score, logen provided all information required by the LCFS regulation in its full, un-redacted pathway application to CARB. Any redacted information in the publicly posted application package contains competitive trade secret information and is considered Confidential Business Information which is protected from public

disclosure under California Government Code 6254.7. Further, the redactions included were minor compared to earlier Tier 2 submissions and comply with CARB guidelines regarding permissible redactions.

logen's application underwent two phases of review with CARB staff and was also scrutinized during the validation process. In validation, logen engaged an independent accredited third-party who thoroughly reviewed the application, including a site visit and review of all site-specific inputs used to determine the Carbon Intensity ("CI") score. They issued a positive statement, confirming the application is reasonably assured to be free from material misstatement and in conformance with the LCFS regulations. The verification body conducted a conflict of interest review which was reviewed by CARB to ensure impartiality.

The Commenter suggests that the GHG calculation does not consider emissions from dairy operations, but this is not correct. The LCFS incorporates the Livestock Protocol and establishes a baseline that considers all applicable dairy operations. The basis of the Project's CI score is baseline GHG emissions. Without the digester, the dairy would emit methane from the lagoons into the atmosphere. The Project diverts manure to the digesters and captures the generated methane, thereby avoiding those emissions. The CI calculation clearly accounts for GHG capture and destruction. The Project's digester uses no feedstock other than the dairy manure that would otherwise have been sent to the lagoon. Also note that credits generated by the Project are based on the methane emissions that are avoided, and not what is produced.

Finally, The Commenter indicates that The Project should be subject to ongoing monitoring, and this is in fact planned to occur. As per the LCFS regulations, the credits generated using this application will undergo an annual verification process which is in place starting January 1, 2020. It will include review by a CARB accredited third party auditor of all site-specific inputs and review of the GHG calculations.

Environmental Issues with these Dairy CAFO's are Unaddressed

The assertion that The Project will degrade the local community by increasing air and water is incorrect. All of the Commenter's statements regarding CAFOs are not applicable to this Project, because a CAFO is already permitted and operating on this site. The Project is merely the addition of a facility to collect and purify methane and inject into the pipeline. It does not impact the operation of the dairy of the CAFO.

The Project agrees with The Commenter's statement that applicants should be conforming with all mandated environmental requirements. The Project has a valid Title V Operating permit and CAFO permit, which were submitted as a part of the application, and operates in compliance with local regulations. The Threemile team, led by a fifth-generation Oregonian, carries on its Oregon heritage culminating in 300 plus team members and their families who proudly live and work beside their fellow rural Oregon residents.

The Project will actually help to minimize the air emissions which The Commenter references. The Project will divert manure from the lagoons to the digesters and capture the resulting methane, a

greenhouse gas with a global warming potential 25 times worse than carbon dioxide. The Project cleans up the captured methane so that it can be used as a replacement for fossil fuels in California vehicles, thereby reducing the rate of climate change. By significantly reducing the amount of manure which enters the lagoon and diverting it for use as vehicle fuel, the Project will reduce the overall emissions from the lagoons and thereby avoiding negative effects The Commenter describes.

Once digestion is complete, the digestate is separated and the liquids are applied to crop land to recycle nutrients, which reduces the demand for chemical fertilizers that are more likely to create adverse environmental impacts. Additionally, when applied to fields, post-digester nitrogen is easier for plants to absorb, thereby reducing field run-off and improving local water quality.

The Project's application to collect dairy cow manure, digest it, and purify the collected methane for use as vehicle fuel in California creates no new water quality issues or new issues for the local community. Instead, the Project provides great benefit to the local area in addressing air quality and GHG emission issues and helping to achieve not only climate and environmental but also equity goals.

Double Counting of Carbon Credits

As The Commenter notes, the environmental attributes claimed in this application cannot be claimed by The Project for any other purpose, nor under any other program, notwithstanding the exceptions listed in the LCFS Regulation section 95488.8(i)(1)(B)(3). The Project adheres to the LCFS Regulations and processes are in place to confirm there is no double-claiming. As previously described, logen's application underwent a validation process including thorough review by an independent accredited third-party. Going forward, all credits generated by The Project will be subject to annual verification which is in place starting January 1, 2020. Verification will be conducted by an accredited third party auditor, and a conflict of interest assessment will confirm impartiality.

Incentivized Production of Methane

The Commenter references a quote suggesting that the digesters are currently processing both manure and vegetable waste, however this is incorrect. As per the application, the only feedstock entering the digesters are manure from the onsite dairy operation. Thus, there is no trucking of material to feed the digesters – all manure is collected on site through a water-flush system.

The main purpose of Threemile Farm is to produce widely consumed goods such as milk for cheese and whey protein production, potatoes, and organic vegetables and grains. Production of manure by the dairy cows, and the methane associated with its decomposition, is an inevitable consequence of that production. The Project has not taken any action which would cause more methane to be produced compared to the baseline scenario, as the herd size is managed based on demand for the dairy products, not for manure or methane production.

The Commenter references emissions from the onsite lagoons and suggests that these are not considered in the LCA, however that is incorrect. The LCFS Tier 1 model does include emissions associated with the onsite lagoons and in fact the fate of all manure from the dairy herd is accounted for and used in the calculation of the project carbon intensity score. Any methane emissions are applied as a negative offset as The Commenter suggests.

In summary, while thanking Commenter for its interest in the Project, logen contends that no changes to the pending application are needed. As demonstrated through the third-party validation and CARB review, as well as the application material and responses to public comments herein, all requirements of the LCFS Regulation for certifying this pathway have been met. logen respectfully requests that the Executive Officer certify this pathway.

Sincerely,



Patrick Foody
Executive Vice President, Advanced Biofuels