



March 29, 2022

**Response to Mr. Stephen Rosenblum’s Public Comment Regarding Vaquero Energy’s Low Carbon Fuel Standard (“LCFS”) Innovative Crude Method Application**

Dear CARB LCFS Branch Staff:

Thank you for the opportunity to respond to the comment that Mr. Stephen Rosenblum provided regarding Vaquero Energy’s (“Vaquero”) application under the LCFS Innovative Crude Method for our solar project located in Bakersfield, California.

Concerning Mr. Rosenblum’s comments, Vaquero would like to point out that the solar project will produce approximately 2,144,265 kilowatt hours of solar energy annually, which is sufficient to produce about 650 LCFS credits per year. Vaquero would also like to note that the CARB’s LCFS Innovative Crude Method program was specifically designed for solar projects like ours to offset the energy required for the oil production at Vaquero’s Bakersfield facility.

Regarding the commenter’s concern for CARB to consider Scope 3 emissions, Vaquero Energy sells its crude oil to California refiners – the majority of which is used for asphalt applications. As the EPA describes in its Scope 3 Inventory Guidance, “the scope 3 emissions for one organization are the scope 1 and 2 emissions of another organization.”<sup>1</sup> Vaquero Energy is required by the San Joaquin Valley Air Pollution Control District, for example, to monitor, record, and submit annual criteria pollutant emissions inventories. Vaquero Energy also reports annual greenhouse gas emissions pursuant to CARB’s Mandatory Greenhouse Gas Reporting Regulation (MRR). The purpose of MRR is to establish mandatory greenhouse gas (GHG) reporting, verification, and other requirements for operators of certain facilities that directly emit GHGs, suppliers of certain fuels and carbon dioxide, electric power entities, verifiers of GHG emissions data reports and offset project data reports submitted pursuant to the cap-and-trade regulation, and verification bodies.<sup>2</sup> Furthermore, the passage of AB 32, the California Global Warming Solutions Act of 2006, placed most California refineries into the state’s Cap-and-Trade program. As such, Scope 3 emissions (from refiners), also referred to as value chain emissions, as well as Scope 1 and 2 emissions from Vaquero Energy operations, are considered.

Regarding the commenter’s concern for Executive Order N-79-20, the State does not call for an end to combustion in California by 2035. In fact, the word “combustion” does not appear in the body of the text. However, Vaquero Energy recognizes that within the body of the Executive Order, it mentions the State’s zero-emission goal for certain vehicle types by 2035 (and 2045).<sup>3</sup> For context, the California Department of Motor Vehicles reported over 36.4 million registered vehicles for the period of January 1 through December 31, 2019.<sup>4</sup> Furthermore, the National Asphalt Pavement Association states that, of the 2.6 million miles of paved roads in the U.S.,

over 94 percent are surfaced with asphalt.<sup>5</sup> To that point, Vaquero Energy would again mention that the majority of our crude oil is sold to refiners who create asphalt for pavement. Regardless of the type of vehicle driving on California's roads, whether it is a zero-emissions vehicle or not, it is likely driving upon asphalt-paved roads made with our crude oil.

For the reasons cited above and per 95489(c)(3)(B), the application meets the eligibility requirements for LCFS credits and no revisions to our application are necessary. Vaquero Energy is pleased to follow up with any further questions or comments from the public domain should any additional questions or comments arise.

Sincerely,



Chad Walker, Director of Government Affairs, Vaquero Energy, Inc.

Sources:

1. EPA Scope 3 Inventory Guidance:  
<https://www.epa.gov/climateleadership/scope-3-inventory-guidance#:~:text=Scope%203%20emissions%20are%20the,scope%201%20and%20%20boundary.>
2. Regulation for the Mandatory Reporting of Greenhouse Gas Emissions:  
[https://www.arb.ca.gov/cc/reporting/ghg-rep/regulation/mrr-2016-unofficial-2017-10-10.pdf?\\_ga=2.62503852.1859052903.1648674035-1062671996.1648674035](https://www.arb.ca.gov/cc/reporting/ghg-rep/regulation/mrr-2016-unofficial-2017-10-10.pdf?_ga=2.62503852.1859052903.1648674035-1062671996.1648674035)
3. Executive Order N-79-20:  
<https://www.gov.ca.gov/wp-content/uploads/2020/09/9.23.20-EO-N-79-20-Climate.pdf>
4. California Department of Motor Vehicles (Estimated Registered Vehicles):  
<https://www.gov.ca.gov/wp-content/uploads/2020/09/9.23.20-EO-N-79-20-Climate.pdf>
5. National Asphalt Pavement Association:  
<https://www.asphaltpavement.org/uploads/documents/GovAffairs/NAPA%20Fast%20Facts%2011-02-14%20Final.pdf>