



September 28, 2020

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

Attention: Mr. Anil Prabhu

Re: Tier 2 Pathway Application No. B0096; Response to Association of Irrigated Residents

Dear Mr. Prabhu:

Clean Energy ("CLNE") is responding to the comments received in the letter dated September 28, 2020 from the Association of Irrigated Residents ("AIR") regarding our Tier 2 Pathway Application No. B0096. This response is pursuant to Section 95488.7(d)(5)(A) of the Low Carbon Fuel Standard (LCFS) regulations. It is within the scope of this regulation that Clean Energy addresses the ten (10) questions received, which are in bold italics below. We believe that no revisions to our pending application are needed following sufficient review and approval of our response by California Air Resources Board ("CARB").

1) Has this dairy contributed in any way to unmitigated pollution of rivers, lakes, streams, groundwater or air?

No, to the best of our knowledge the dairy farms have not had any pollution events during the course of operations. The farm partners are regulated by the Federal Environmental Protection Agency and the Wisconsin Department of Natural Resources and have both valid Title V permits and valid Concentrated Animal Feed Operation permits. In addition, they are subject to and abide by state and local regulations around the collection, treatment, and disposal of a variety of animal manure, feed, and nutrient byproducts. Collectively, all permits are in good standing and these farms meet all operating requirements set forth by Authorities Having Jurisdiction over them.

2) Does this dairy produce CO2 equivalent GHG emissions in total, both enteric emissions and from all related operations, that are more than twice the equivalent CO2 emissions from the net methane which is captured by the digester(s) and ultimately used in California as a transportation fuel?

The LCFS project pathway and the corresponding life cycle analysis was prepared following the project scope guidance outlined in the 2014 Livestock Projects Compliance Offset Protocol. The life cycle analysis included in the pathway accounts for all appropriate carbon emissions from the collection and digestion of dairy manure, and the capture and processing of the resulting methane emissions as dictated by the Livestock Offset Protocol guidance.

Emissions related to other operations at the farms not related to the processing of manure are not include in the life cycle analysis. The farms were in operation well before the

installation of anaerobic digesters, so these farm emissions are not part of this application nor are they supposed to be under the LCFS regulation.

3) Does this dairy put or intend to put any organic products into the digester other than manure produced by cows at the dairy?

No, our dairy farm partners do not put in any organic material except dairy manure into their anaerobic digesters. Quarterly affidavits are provided to CARB attesting to this per the requirements of the LCFS regulation.

4) Does this dairy (or dairies) feed its cows distiller grains (wet or dry) which come from an ethanol plant supplying ethanol to California as a transportation fuel?

The source of cow feed is not applicable to the pathway application or regulation, and therefore, not applicable to the life cycle analysis.

5) If approved to send LCFS fuel to California, will this dairy claim any related carbon credit publicly in Wisconsin for reducing its GHG emissions?

No, CLNE, as the fuel pathway holder possesses ownership of all carbon mitigation attributes so the dairy farms will not generate any carbon credit benefits in Wisconsin.

6) Does this dairy(s) receive federal price supports or other federal subsidies directly or indirectly?

This information has not been made available to the fuel pathway holder and is not relevant to the fuel production process

7) Will the production and sale of methane at this dairy(s) under current LCFS credit pricing be more lucrative than the production of milk at current milk prices in Wisconsin?

The revenue generated by the sale of Renewable Natural Gas ("RNG") from this project does not compare to the revenue generated from the sale of milk and milk products by our dairy farm partners. The production and sale of milk is the primary business of these farms. The LCFS has provided farmers and developers an incentive to capture the methane that in certain instances would otherwise be admitted into the atmosphere.

8) Will the combustion in California of this methane produced in Wisconsin cause any pollution in California which would contribute to the violation of any Clean Air Act federal air quality standard and thus harm public health?

All the dairy methane in this pathway will be used in CNG vehicles in California, displacing gasoline, and diesel-based fuel. Emissions from these CNG vehicles are captured in the life cycle analysis of this fuel pathway. The use of RNG in CNG vehicles, especially heavy-duty applications is recognized as a better alternative than gasoline and diesel-powered vehicles, yielding not only reductions in greenhouse gas emissions, but also a reduction in smog forming emissions like Nitric Oxide (NOx).

9) Is there any information in this public online application that has been redacted so that the public cannot calculate for themselves whether the final pathway derived carbon intensity is correct?

The fuel pathway holder has provided all information required by LCFS regulation as part of this fuel pathway application. Any redacted information reflects competitive trade secrets that is considered Confidential Business Information under California Government Code 6254.7.

As a reminder, this pathway application and all supporting information has undergone verification from a third-party auditor and has been thoroughly reviewed by CARB staff. In addition, the credits generated from this fuel pathway will go through an annual verification process conducted by an accredited third-party auditor.

10) Has this dairy(s) already received Cap and Trade money from California for the purpose of building a dairy digester?

No. The dairy farms have not received any Cap and Trade money for the purposes of building a digester.

In summary, Clean Energy appreciates the comments and interest in this project by AIR, but we contend that no changes to the pending application are needed at this point. The application has followed the requirements of the LCFS regulation, received a formal review and validation by an accredited third-party verifier, as well as been reviewed by CARB staff.

We appreciate CARB's timely review of this response letter and respectfully request the Executive Officer certify this pathway by September 30, 2020.

Sincerely,



Tyler Henn
Vice President and General Manager
Clean Energy Renewables