

# SUNOMA RENEWABLE BIOFUEL, LLC

55310 S. Citrus Valley Road ♦ Gila Bend, Arizona 85337

Tel. (914) 421-4900 ♦ Fax. (914) 421-0052

November 27, 2023

Liane M. Randolph, Chair  
California Air Resources Board  
Low Carbon Fuel Standard  
1001 I St #2828,  
Sacramento, CA 95814

**Re: Sunoma Renewable Biofuel, LLC Tier 2 Pathway Application No. B0473; Response to Association of Irrigated Residents, Leadership Counsel for Justice & Accountability, Central Valley Defenders of Clean Water & Air, Animal Legal Defense Fund, Center for Food Safety, and Food & Water Watch.**

Dear Chair Randolph:

Sunoma Renewable Biofuel, LLC (“Sunoma” or “Applicant”) is responding within the scope of the Low Carbon Fuel Standard (“LCFS”) program §95488.7(d)(5)(A) to the commenters, Association of Irrigated Residents, Leadership Counsel for Justice & Accountability, Central Valley Defenders of Clean Water & Air, Animal Legal Defense Fund, Center for Food Safety, and Food & Water Watch (collectively “Commenters”), in a letter submitted November 20, 2023, regarding the Applicant’s Tier 2 Pathway Application (B0473) (the “Application”). We note that §95488.7(d)(5)(A) only requires responses “related to potential factual or methodological errors”.

Applicant does not believe any of the claims made by the Commenters are accurate as detailed below. The project and associated Application have been developed over several years within the regulations established by the California Air Resources Board (“CARB”) to encourage development of low carbon fuels to replace harmful diesel fuels in the transportation sector in California. In addition, the project improves the local air quality at the host farm and has added 7 full time jobs in an economically disadvantaged rural community. In summary, Applicant does not believe any revisions to the Application will be necessary following review of our responses by CARB.

**First, the application incorporates an unlawfully truncated system boundary that ignores feedstock production at the source factory farm—Paloma Dairy, which confines approximately 15,000 cows—and other emissions such as those from storage and disposal of digestate, resulting in an artificially low Carbon Intensity (CI) value and inflated credit generation. .... this application dramatically undercounts the greenhouse gas emissions associated with this fuel by failing to apply the required “well-to-wheel” analysis.**

This statement is incorrect. The project’s pathway application utilizes the approved calculations under LCFS regulation. As noted in the CARB Staff Summary:

*The CI is determined from a life cycle analysis conducted using a modified version of the Board-approved Tier 1 Simplified CI Calculator for Biomethane from Anaerobic Digestion of Dairy and Swine Manure<sup>1</sup>. ... The modified calculator has been determined to be equivalent to CA-GREET3.0 pursuant to section 95488.7(a)(1) of the LCFS regulation. The applicant has provided operational data and supporting documentation for the list life cycle stages, unit operations, transport of feedstock and/or fuel (e.g., digester, gas cleanup, and pipeline injection of biomethane)*

Calculation of the CI score considers the Applicants baseline manure handling practices prior to construction of the digesters and covered lagoon and the resultant emissions reduction from capture of all this manure within the digesters<sup>2</sup>. Additionally, the CI score incorporates the emissions associated with the biogas production, fuel transport, and use as vehicle fuel – truly a “well-to-wheel” analysis.

**Second, this application is a good example of how CARB’s flawed approach is rewarding the biggest factory farms and incentivizing further expansion and herd consolidation, which does more climate harm than good. Paloma Dairy is not a sustainable family farm; it is a mega-dairy with liquified manure management systems that confine approximately 15,000 cows. CARB should not allow these factory farms—or the applicant—to profit from the LCFS.**

These assertions are incorrect in several respects. CARB has not “incentivized expansion and herd consolidation” with respect to the Paloma Dairy. Paloma Dairy is a multi-generational family farm that produces milk and other dairy and agricultural products and is a separate entity from Sunoma. Paloma Dairy manages its herd sizes in response to economic factors in the dairy business, not in response to the LCFS program.

The LCFS program has provided a significant incentive for Sunoma to make the substantial investment required to capture the emissions that are a by-product of the Paloma Dairy’s ongoing operations. These investments are not without considerable risk<sup>3</sup> - Paloma Dairy would not have been able to implement them and realize the significant local and global environmental benefits in the absence of the program.

---

<sup>1</sup> The Tier 1 Simplified CI Calculator for Biomethane from Anaerobic Digestion of Dairy and Swine Manure (August 13, 2018), incorporated by reference in the LCFS Regulation, section 95488.3(b).

<sup>2</sup> CARB Compliance Offset Protocol Livestock Projects, November 14, 2014

<sup>3</sup> LCFS credit prices have declined 65% from the time construction of the Sunoma facility began.

**Third, this application is so opaque that it is impossible for Commenters or other stakeholders to meaningfully evaluate it. The lifecycle analysis redacts information critical to understanding the CI calculation.**

Applicant provided all required information and supporting documentation as required in the LCFS Regulations to both CARB and CARB's accredited third-party verifier over a period spanning 18 months. Applicant's Life-Cycle Carbon Intensity Report contains a detailed description of the facility and its operation as well as baseline conditions. Only confidential business information was redacted after consultation with CARB staff.

**Finally, the inflated CI values CARB proposes here work an additional environmental injustice on California citizens who will be exposed to higher levels of pollution from fossil transportation fuel and dirty vehicles made possible by excessive credit generation at factory farms. CARB has acknowledged that pollution from transportation fuels inflicts a racially disparate impact, so this continued certification of fuel pathways with extreme negative CI values to allow more pollution from deficit holders contributes to this injustice.**

The Applicant does not add an environmental injustice on California citizens or the local community in Arizona. The investment in digesters and upgrading equipment has had a significant positive impact on the environment in the surrounding community as well as providing additional jobs and economic activity. By displacing diesel fuel in the California transportation sector, the project not only provides important reductions in greenhouse gases, but also other air pollutants in California and throughout the upstream production process for the avoided fossil fuels.

Sunoma appreciates the comments provided and the opportunity to respond and highlight the beneficial aspects of the Pathway Application. We believe the Application fully complies with the requirements of the LCFS program and no revisions are necessary. We request CARB proceed with certification of the pathway. Please contact us should you require any further information.

Sincerely,

*Thomas Plant*

Thomas Plant  
Vice President  
Sunoma Renewable Biofuel, LLC