



MAAS
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March 27, 2025

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

Re: Tier 2 Pathway Application No. B0688; Response to Leadership Counsel for Justice & Accountability, Central Valley Defenders of Clean Water & Air, Animal Legal Defense Fund, and Food & Water Watch (collectively, "Commenters").

Dear Chair Randolph:

Maas Energy Works, LLC on behalf of Five Points Pipeline, LLC ("Pathway Applicant") is responding within the scope of the Low Carbon Fuel Standard ("LCFS") program §95488.7(d)(5)(A) to the commenters, Leadership Counsel for Justice & Accountability, Central Valley Defenders of Clean Water & Air (Defensores), Animal Legal Defense Fund, and Food & Water Watch (collectively, "Commenters"), in a letter submitted March 26, 2025, regarding the Tier 2 Pathway Application (B0688) (the "Application").

Regulation §95488.7(d)(5)(A) states, "Only comments related to potential factual or methodological errors will require responses from the fuel pathway applicant." We have conducted a careful review of the public comments submitted regarding the Application and have determined that none pertain to factual or methodological errors.

However, the Pathway Applicant will address the remarks made by the commenter below. Furthermore, we are confident that, following a thorough review of our response by the California Air Resources Board (CARB), there will be no need to amend our pending application.

“First, the application incorporates an unlawfully truncated system boundary that ignores feedstock production at the source factory farms around Riverdale, California—which collectively confine 32,200 cows—and other emissions such as those from storage and disposal of digestate, resulting in artificially low Carbon Intensity (CI) values and inflated credit generation.”

The project's Carbon Intensity (CI) score was calculated using the CA-GREET3.0 model, which complies with current LCFS regulations and includes all relevant emissions, such as those from digestate storage and disposal. The California Air Resources Board (CARB) reviewed the application, and the application was verified by an independent third-party validator. Site visits conducted by third party verifiers further confirmed adherence to LCFS requirements.

Additionally, following the 2014 California Livestock Offset Compliance Protocol, a comprehensive life cycle analysis was performed to evaluate emissions from the capture, processing, and transportation of methane as vehicle fuel. This analysis accounted for pre-existing emissions from standard manure management practices, which are not attributable to the project. By diverting manure from lagoons to anaerobic digesters, this initiative captures methane for conversion into renewable fuel, effectively reducing emissions and generating environmental credits under LCFS regulations, thereby promoting sustainable dairy practices.

The primary focus remains on milk and dairy production, with methane from manure being a by-product. The LCFS program offers critical incentives for dairy producers to invest in technologies that effectively reduce greenhouse gas emissions, significantly mitigating the costs of implementing and maintaining methane capture systems. Financial support from the LCFS program has been vital in enabling dairies that partner with Five Points Pipeline, LLC to adopt sustainable practices.

"Second, CARB has failed to ensure that the additionality requirements of Health and Safety Code section 38562 are met. This program participates in the federal Renewable Fuel Standard. All of the digesters were built with funding from the Dairy Digester Research and Development Program, totaling over \$6,500,000 in public investment. As we explained in both of our petitions, both CARB and the California Department of Food and Agriculture (CDFA) have already claimed the purported methane emission reductions from these digesters."

"It appears that CARB has not analyzed whether these purported emissions reductions "otherwise would occur." For example, Open Sky dairy, which is the largest dairy represented in this application, built its first digester in 2008. While Open Sky installed a new digester in 2015, it operates on the same lagoon as the old digester. CARB should treat the Open Sky's baseline as operating with the old digester, since this is what the dairy was doing immediately before the LCFS came into effect. Without an additionality analysis, CARB cannot know whether the purported emissions reductions would have occurred but-for the LCFS program, or whether similar reductions would have occurred regardless through operation of the old digester."

The equipment for dairy manure methane capture and purification comes with significant costs associated with its installation, operation, and upkeep. The owners of the project would not have constructed these digesters or captured these emissions if it weren't for the financial incentives that were made available through the LCFS program to cover these costs. The digesters were built and are operated for the purpose of reducing emissions and participating in the LCFS program. The comments regarding Open Sky Ranch are particularly illustrative of this reality. The 2008 digester was built before the LCFS, encountered significant operational and financial difficulties, and shut down less than a year after startup. The digester company went bankrupt and the digester pond was repossessed by the bank. Consequently the digester is not "what the dairy was doing immediately before the LCFS came in effect." Rather, many years later, a new dairy owner purchased the digester back from the bank, and invested in rebuilding the digester to capture the methane emissions and generate LCFS credits. But for the LCFS incentive, this dairy could not have

captured these methane emissions.

Furthermore, as part of the verification process the operational CI, and the reported fuel volume are verified by an independent third-party validator. The operational integrity of the project is regularly monitored to ensure compliance with all applicable regulations, thus safeguarding against any illegitimate credit generation and double claiming methane reductions. The pathway certification process includes thorough evaluations by CARB, ensuring that all emissions reductions are legitimate and contribute positively to California's environmental goals.

“Third, this application is a exemplifies how CARB’s flawed approach is rewarding the biggest factory farm polluters and incentivizing further expansion and herd consolidation, which does more climate harm than good. These farms are new operations that have only been established in the last twenty years: they are not sustainable family farms. Instead, they are massive industrial operations that confine up to 10,700 cows each, and 32,200 cows collectively. The largest dairy in this application, Open Sky Dairy, has grown its herd by more than 80% over that past 13 years. CARB should not allow these factory farms—or their applicant—to profit from the LCFS.”

This comment addresses regulatory concerns related to the commenter’s preference for farm styles, rather than the specifics of the fuel pathway application. Five Points Pipeline, LLC has submitted all necessary documentation to CARB and an approved third-party verifier in accordance with sections 95488.7 and 95488.8 of the LCFS Regulation.

A complete life-cycle analysis was performed for these pathways. The pre-existing manure management practices and the herd counts were accounted for to evaluate pre-existing emissions. This was reviewed by CARB and verified by independent third-party verifier – ensuring accuracy. The commenters also suggest that the LCFS program promotes the expansion and consolidation of dairies, but they do not recognize that this has been a nationwide trend for decades.

As mentioned above, dairies primarily focus on milk and dairy production, with methane being a byproduct. The LCFS program provides essential incentives, helping offset the costs of methane capture systems. This financial support has enabled the dairies contributing to adopt more sustainable practices and reduce greenhouse gas emissions.

By participating in the LCFS program, the dairies contributing to Five Points Pipeline, LLC not only contribute to substantial emissions reductions but also exemplifies how farm operations can effectively balance productivity with environmental responsibility. The farm's participation in this program is in line with the program's goal of promoting sustainability in the agricultural sector and achieving meaningful greenhouse gas reductions while producing effective vehicle fuel in the form of RNG.

"Fourth, this application is so opaque that it is impossible for Commenters or other stakeholders to meaningfully evaluate it. Several supporting documents are unavailable to Commenters and other stakeholders because they are purportedly "confidential" and the life-cycle analysis report redacts myriad values, including nearly every value used to calculate the CI for the fuel pathway."

In alignment with sections 95488.7 and 95488.8 of the LCFS Regulation, Five Points Pipeline, LLC has provided comprehensive information and supporting documentation required for the certification of the Tier 2 Fuel Pathway application. CARB reviewed the complete and unredacted application and the application was verified by an independent third-party verifier, ensuring transparency and adherence to regulatory standards.

Furthermore, the lifecycle analysis was conducted following established methodologies, and all pertinent data has been made available on the CARB website to ensure the public can assess the Carbon Intensity (CI) calculation and related supporting materials. We are committed to transparency and are open to addressing any specific questions or concerns raised by commenters to enhance understanding of our application.

"Fifth, 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."

"Finally, the certification of these pathways would result in a discriminatory impact, in conflict with CARB's obligations under California Government Code 11135 and Title VI of the Civil Rights Act, which impose an affirmative duty on CARB to ensure that its policies and practices do not have a discriminatory impact on the basis of race. The source factory farms are located in the vicinity of several communities, including Lanare and Riverdale. These communities have populations with a significantly higher percentage of Latino/a/e ethnicity than California as a whole (approximately 91% in Lanare and 75% in Riverdale, compared to approximately 40% for California generally) according to US Census Data. Additionally, Lanare has a significantly higher poverty rate than California as a whole, at 28.3% versus 12%, and Riverdale residents' median household incomes are just 57% of the state median."

These comments appear to extend beyond the relevant scope of the fuel pathway application, primarily commenting on the presence of vehicles in the central valley. Methane capture technology not only reduces harmful emissions but also contributes positively to the surrounding community and environment where the facility is based by preventing methane from escaping into the atmosphere.

Moreover, the implementation of the manure digester and upgrading facility has yielded significant benefits for the local communities. By capturing and processing methane emissions, these operations contribute to lower overall greenhouse gas emissions, enhancing air quality and public health in the surrounding area. Furthermore, the project supports local economic

development and promotes sustainable agricultural practices.

By capturing methane emissions from dairy manure, this project plays a crucial role in reducing the overall carbon footprint of the transportation sector, contributing to statewide greenhouse gas reduction efforts.

Sincerely,

A handwritten signature in black ink, appearing to read 'Stephen Hatley', with a stylized, flowing script.

Stephen Hatley
Chief Financial Officer
Maas Energy Works, LLC