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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. B0727; 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 Lakeside 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 (B0727) (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 Hanford, California—which collectively confine 10,140 cows<sup>3</sup>—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, in accordance with the 2014 California Livestock Offset Compliance Protocol, which sets a baseline that includes emissions from dairy operations, a life cycle analysis was performed. This analysis evaluated emissions from the capture, processing, and transportation of methane to be used as vehicle fuel. The baseline accounted for pre-existing emissions from manure management activities, which are standard practice on dairy farms. Since these emissions existed independently of the project, they were not created by or attributable to it. As a result of this initiative, manure was diverted from lagoons to an anaerobic digester, where methane is captured, processed, and used as renewable fuel. Under the LCFS program regulations, this process generates credits by mitigating methane emissions.

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. The financial support from the LCFS program has been vital in enabling dairies that partner with Lakeside 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.<sup>10</sup> This program participates in the federal Renewable Fuel Standard.<sup>11</sup> Additionally, three of the four digesters in this application were built with funding from the Dairy Digester Research and Development Program, totaling over \$5,300,000 in public investment.<sup>12</sup> As we explained in both of our petitions, both CARB and the California Department of Food and Agriculture 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.”<sup>13</sup> Without an additionality analysis, CARB cannot know whether the purported emissions reductions would have occurred but-for the LCFS program.”*

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 primary aim of these digesters is to achieve emissions reduction environmental goals while ensuring compliance with the LCFS program's regulatory framework.

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. Two of these farms are new, industrial operations that have only been established in the last twenty years: they are not sustainable*

*family farms.<sup>14</sup> Instead, they are massive industrial operations that collectively confine 10,140 cows.<sup>15</sup> 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. Lakeside Pipeline, LLC has fully complied with the requirements for certifying the Tier 2 fuel pathway by submitting all necessary information and supporting documentation to CARB and an approved third-party verifier, as outlined in 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 lifecycle analysis report redacts myriad values, including nearly every value used to calculate the CI for the fuel pathway.<sup>16</sup>”*

In compliance with sections 95488.7 and 95488.8 of the LCFS Regulation, Lakeside Pipeline, LLC has provided all the required information and supporting documentation needed for the certification of the Tier 2 Fuel Pathway application. CARB has conducted a thorough review, and a third-party verifier has independently assessed and verified the complete, unredacted fuel pathway application and all associated documentation.

All relevant data has been made available to CARB and the third-party verifier to ensure a transparent and rigorous evaluation of the CI calculation. Furthermore, Lakeside Pipeline, LLC adheres strictly to all LCFS regulatory requirements, including accurate reporting and tracking of emissions data. We implement robust monitoring systems to ensure compliance and transparency throughout the lifecycle of the project. 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.<sup>17</sup>”*

*“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 Hanford, a community which*

*has a population with a significantly higher Latino/a/e ethnicity than California (approximately 51% compared to approximately 40%) according to US Census Data.<sup>18</sup> Additionally, Hanford has a higher poverty rate than California as a whole, and its residents have lower incomes compared to others in the state.<sup>19</sup>*

These comments appear to extend beyond the relevant scope of the fuel pathway application, primarily commenting on CARB rather than focusing on the applicant's actions. 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 digesters and upgrading facility has yielded significant benefits for the local community. 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.

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Sincerely,

A handwritten signature in black ink, appearing to read 'Stephen Hatley', with a long, sweeping underline that extends to the right.

Stephen Hatley  
Chief Financial Officer  
Maas Energy Works, LLC