

July 31, 2024

VIA ELECTRONIC FILING

Mark Sippola, Branch Chief
California Air Resources Board
1001 I Street
Sacramento, California 95814



Re: RNG Coalition Comments on July 10, 2024 Cap-and-Trade Workshop

Dear Mr. Sippola,

The Coalition for Renewable Natural Gas (RNG Coalition)¹ offers the following comments in response to the California Air Resources Board's (CARB) July 10 Workshop (Workshop)² regarding updates to the state's Cap-and-Trade (C&T) program. RNG Coalition previously submitted comments in response to the June 14, July 27, and October 5 Workshops in 2023, as well as the May 31 Workshop earlier this year.

Topics previously addressed include but are not limited to the role of renewable gas in decarbonization, the use of M-RETS tracking system for RNG and hydrogen, our support for increasing the programs greenhouse gas (GHG) reduction target, the GHG accounting treatment of biogenic CO₂ emissions, the use of natural gas allowance revenue for RNG, and alignment of emissions reporting between C&T and California's Low Carbon Fuel Standard.

Our comments herewithin explain RNG Coalition's support for CARB's budget scenario Option 2 as outlined during the July 10 Workshop.

Support for Allowance Budget Scenario Option 2

RNG Coalition continues to support the most ambitious GHG reduction schedule that CARB deems to be feasible given technological and economic constraints. Scenario Option 2 will reach the same allowance budget one year earlier than the SRIA and Option 1 scenarios with a higher annual average % reduction and a steeper decline through 2030. With this in mind, we support Option 2 as a faster pathway toward reducing emissions and requiring investment in GHG-reducing technologies, such as RNG, in California.

In terms of post-2030 targets it is important to consider that Option 2 remains steady during the 2030-2036 timeframe, decreasing linearly between 2036-2045, while the other scenarios decline linearly from 2030-2045. This means that the emissions cap for Option 2 will be higher than the other scenarios during the 2034-2045 timeframe. We believe that it continues to make the most sense to support Option 2 given that the nearest-term GHG reductions are most effective from a climate perspective. Furthermore, we support CARB's eventual revisit to the post-2030 target if Option 2 is chosen, with an eye toward increased stringency, if viable.

¹ <http://www.rngcoalition.com/>

² https://ww2.arb.ca.gov/sites/default/files/cap-and-trade/meetings/nc_CapTradeWorkshop_July1024.pdf

California's mix of available renewable gas technologies is slated to change over time, including waste-derived RNG in the near term and expanding to include hydrogen, CO₂, and their derivatives in the medium to long term. RNG also serves as one of the most important opportunities to reduce waste sector methane emissions in the near term, both through organic waste diversion and enhanced gas capture at active landfills, as well as in the state's livestock sector. Implementing the most stringent near-term GHG reduction target possible is more likely to spur RNG deployment which will achieve gas sector and waste sector decarbonization, and is likely to promote increased research and development of other renewable gas technologies toward similar ends.

Conclusion

RNG Coalition appreciates the opportunity to provide feedback toward CARB's update of the Cap-and-Trade program as California moves toward improved program alignment and the increased use of new biogenic fuels and feedstocks across sectors.

Sincerely,

/S/

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