

FIRSTELEMENT FUEL

FirstElement Fuel Inc. | 5281 California Ave, Suite 260, Irvine, CA 92617 | 949-205-5553

June 5, 2023

Dr. Cheryl Laskowski
California Air Resources Board
1001 I Street Sacramento, CA 95812

Subject: May 23, 2023 Public Workshop: Auto-Acceleration Mechanism and Step Down Benchmark Considerations

Dr. Laskowski,

FirstElement Fuel (FEF) appreciates the opportunity to provide our brief comments on the subject workshop and LCFS proceedings. In general, we agree with the direction and proposals by AJW and the Low Carbon Fuels Coalition for the auto-acceleration mechanism (AAM). However, we urge CARB staff to propose an immediate step down to address the historic low carbon credit prices. We further urge staff to maintain the proposed tightening of the CI reduction target to at least 30% by 2030, and not supplement the AAM for increased stringency in the future.

We agree with Graham Noyes, who stated in his presentation, “If Projects don’t Pencil, Investors don’t fund Projects” and “Acceleration Mechanism speaks clearly to these Investors”. We have seen this first-hand with our potential investors and partners, and during this time of significant financial volatility, having the certainty of the LCFS reductions and AAM will help us, and the industry, secure the needed capital to accelerate deployment.

FEF looks forward to working with CARB staff and throughout the LCFS update process. Should you have any questions regarding our comments, please do not hesitate to contact me.

Sincerely,



Matt Miyasato, Ph.D.
Vice President, Strategic Growth & Government Affairs
FirstElement Fuel Inc.
matt.miyasato@firstelementfuel.com
909-364-3197