



June 6, 2023

Cheryl Laskowski, Ph.D.
Chief, Transportation Fuels Branch
California Air Resources Board
1001 I Street
Sacramento, CA 95814

Re: American Biogas Council Comments on Auto-Acceleration Mechanism for Low Carbon Fuel Standard (LCFS) Workshop

Dear Dr. Laskowski,

Thank you for the opportunity to submit comments in response to the May 23, 2023, Public Workshop regarding Auto-Acceleration Mechanism for Low Carbon Fuel Standard (LCFS). The American Biogas Council (ABC) is the voice of the US biogas industry dedicated to maximizing carbon reduction and economic growth using biogas systems. We represent more than 380 companies in all parts of the biogas supply chain that are leading the way to a better future by maximizing all the positive environmental and economic impacts biogas systems offer when they are used to recycle organic material into renewable energy and soil products.

Biogas systems protect our air, water, and soil by recycling organic material, like food waste and manure, into renewable energy and soil products. Biogas systems are, at their heart, a biological means to capture methane that would otherwise be emitted into the atmosphere for use as a renewable fuel. This process specifically decreases baseline methane emissions by converting methane back into carbon dioxide. All of this is an effort to protect our air, water, and soil – crucial parts of the solution to the challenges CARB seeks to address.

Below are comments on the workshop materials presented at the workshop on May 23rd. Thank you for your consideration.

Carbon Intensity (CI) Reduction Goals

We encourage the California Air Resources Board to pursue CI reduction goals as aggressively as possible. The ABC applauds CARB's commitment to reducing carbon and is pleased to see a proposed reduction target of 30%. **However, we do not believe this will be sufficient to reach CARB's intended goals and therefore urge CARB to adopt a CI reduction target of 40% along with the other characteristics of the Alternative C Scenario Design CARB put forth in its November 9, 2022 LCFS workshop.**

If 40% cannot be achieved, we still recommend the Alternative C Scenario Design, but with a target CI reduction of 35%. Adopting this Alternative would enable California to meet the emissions reductions necessary to reach near-term benchmarks. We note that many other stakeholders have expressed support for the 35% target reduction by 2030. Recent modeling from ICF and others show that a reduction as high as 40% is feasible and will further incentivize renewable fuels and investment in low carbon energy infrastructure. In addition, this will further bolster credit markets, with the credit bank currently at an all-time high. Lastly, ABC supports a curve reduction of 18%-19% as laid out in AJW's slides.

Auto-Acceleration Mechanism (AAM)

The proposal by the Low Carbon Fuels Coalition (LCFC), of which ABC is a member, identified four components to a successful AAM:

1. **The AAM must be permanent:** This provides long-term stability to the market.
2. **Require no CARB intervention:** Changes should be automatic and should not require action by CARB.
3. **Based on a single calendar year of data:** This will provide stability to the market while also minimizing administrative efforts.
4. **AAM Trigger should be based on the credit bank, not price:** Long-term predictability and stability to the credit market is essential to the success of the LCFS. In our earlier comment to the February workshop, ABC commented that a price trigger would be challenging and undermine stability as it would be more susceptible to market

manipulation. LCFC's proposal of a credit trigger would alleviate these concerns and would help stabilize the credit market.

The ABC appreciates your consideration and the opportunity to comment on this proposal.

Sincerely,

A handwritten signature in black ink, appearing to read "Patrick Serfass". The signature is written in a cursive, flowing style with some overlapping letters.

Patrick Serfass
Executive Director
American Biogas Council