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Rajinder Sahota
California Air Resources Board (CARB)
1001 I Street
Sacramento, CA 95814

Re: Comments on the Joint California-Québec Workshop: Potential Amendments to the Cap-and-Trade Regulation

Dear Ms. Sahota:

Thank you for the opportunity to comment on the June 14 Joint California-Québec Workshop: Potential Amendments to the Cap-and-Trade Regulation. We strongly support efforts to decarbonize industry and achieve net-zero emissions throughout California, including through the use of state-of-the-art anaerobic digestion of organic waste resources.

About TNRE

True North Renewable Energy, LLC (TNRE) develops, builds, and operates state-of-the-art organics-to-renewable energy facilities, including large-scale, regional high-solids anaerobic digestion infrastructure. These facilities reuse and repurpose organic resources diverted from landfills to create beneficial, sustainable products, including biomethane and soil-amending compost. TNRE is focused on partnering with communities in California to meet local and state requirements for diverting organic waste from landfills and cutting short-lived climate pollutant (SLCP) emissions, while generating compost and renewable natural gas to help decarbonize other sectors of the economy and meet California's climate goals.

Transitioning to low carbon fuels and renewable gas outside of the transportation sector

TNRE has consistently advocated for expanding eligibility under the Low Carbon Fuel Standard to allow low carbon fuels supplying industrial sources, including cement facilities, to generate credits and equal value as if that fuel were directed to the transportation sector. We believe this is the most equitable approach for fuel providers and offtakers alike – across many sectors – and would support continued development of low carbon fuels and increased access to biomethane in stationary sources and the industrial sector. We encourage CARB to consider this approach as it develops amendments to the Low Carbon Fuel Standard.

However, we recognize such a change does not appear to be under consideration in the current set of LCFS amendments, in which case we encourage CARB to explore alternative strategies to achieve similar outcomes and objectives. We believe the next best approach may be to leverage the Cap-and-Trade program and develop amendments to the program that would provide equal incentive for biomethane displacing fossil fuels in the industrial sector as currently exists for that gas in the transportation sector. In the upcoming rulemaking, we encourage CARB to evaluate approaches under Cap-and-Trade that could incentivize the production of biomethane and use in the cement and other industrial sectors.

Additional comments: Enabling CCS on biomethane facilities and updating GWP values based on scientific consensus

We also strongly support incorporating carbon capture and sequestration (CCS) and carbon dioxide removal into the Cap-and-Trade program. Anaerobic digestion offers an attractive application for CCS, and we encourage CARB to consider mechanisms to incentivize CCS on biomethane facilities and others that may not be covered under the Cap-and-Trade program. CARB could do this by providing allowances to biomethane producers, especially those deploying CCS, defining biomethane with CCS as an eligible CDR pathway, and/or creating new offset protocols to account for and support additional emissions reductions.

Finally, we strongly support Québec's proposal to update global warming potential (GWP) values based on current global scientific consensus, and we urge CARB to take a similar step in its program.

Thank you again for the opportunity to comment on this workshop, and please do not hesitate to reach out with any questions.

Sincerely,

Gary Aguinaga
President
True North Renewable Energy, LLC