



August 17, 2023

Matthew Botill
California Air Resources Board
1001 I Street
Sacramento, CA 95814

Re: Comments on the July 27, 2023 Potential Amendments to the Cap-and-Trade Regulation Workshop

Dear Mr. Botill:

On behalf of Amp Americas (“Amp”), we appreciate the opportunity to provide feedback on the July 27, 2023, Potential Amendments to the Cap-and-Trade Regulation Workshop. Amp strongly supports California’s climate goals and the Cap-and-Trade Program as an important element of the State’s overarching climate change framework. We especially support the California Air Resources Board’s (“CARB”) efforts to focus on fuel switching, including the use of renewable natural gas (“RNG”), as a strategy to decarbonize hard to electrify sectors, in line with the 2022 Scoping Plan. We hope you will pursue opportunities through the Cap-and-Trade Program and upcoming amendments to help achieve these objectives.

About Amp Americas

Founded in 2011, Amp develops and operates RNG facilities that convert dairy waste into carbon-negative renewable energy. Over our history, Amp’s projects have prevented over 1.5 million metric tons of carbon equivalent emissions. In 2022 alone, our projects abated approximately 480,000 metric tons of carbon equivalent emissions and we plan to rapidly expand our impact over the next several years.

As a pioneer in the dairy RNG industry, Amp registered the first 5 dairy RNG-to-CNG pathways in California’s Low Carbon Fuel Standard (“LCFS”) and was the RNG supplier for the first 11 dairy RNG-to-hydrogen pathways. Our experience developing, operating, and reporting on these and other assets gives us a unique perspective on the impact CARB policy has on development of projects to reduce greenhouse gas emissions. Our projects and resulting methane and carbon dioxide reductions have been made possible by CARB’s leadership in decarbonizing transportation, and we encourage CARB to continue to support the policy decisions that have made it so successful and build from them to reach new sectors, like cement.



Enabling RNG through the Cap-and-Trade Program

As described in our comments pursuant to the June 2023 joint workshop,¹ we support efforts to enable fuel switching to RNG or other renewable fuels in the cement and other industrial sectors (including pursuant to SB 596). In order to facilitate that, we suggest CARB begin from the LCFS pathways process and utilize existing lifecycle accounting pathways and tools to account for site-specific emissions factors for various RNG and other fuel pathways. This consistent accounting with the LCFS will minimize the implementation burden for new programs and help support the transition of RNG from the transportation sector to hard-to-electrify sectors using a consistent set of rules and procedures.

Cement plants or other industrial facilities transitioning to RNG should be able to reduce their greenhouse gas intensity based on the avoided emissions associated with the fuels they use, just like the transportation sector can today under the LCFS. We encourage CARB to make minor amendments to enable RNG projects from anywhere in North America to support California's greenhouse gas goals through the Cap-and-Trade Program, in line with rules under the LCFS and operation of the natural gas market today. We also encourage the program to include accounting for avoided methane emissions in RNG pathways to support the State's wide array of greenhouse gas reduction goals.

Further, in order to support increased use of RNG in the industrial sector or others and advance California's greenhouse goals, Amp:

- Supports a complete evaluation of stringency and allowance allocation scenarios designed to maximize near-term and cumulative climate benefits.
- Encourages CARB to incorporate carbon capture and sequestration ("CCS") and carbon dioxide removal ("CDR") into the program, in line with the Scoping Plan, Governor's direction and legislative direction. We encourage CARB to adopt the CCS Protocol into the Cap-and-Trade Program and to develop new protocols through the SB 905 framework to provide the greatest opportunity for innovation greenhouse gas reductions. In particular, we encourage CARB to define bioenergy projects with CCS as carbon removal, as identified in the Scoping Plan and the Lawrence Livermore National Lab Report, *Getting to Neutral*, as necessary strategies to achieve carbon neutrality in California.
- Encourages CARB to support accelerated industrial decarbonization through allowance allocation designs that support fuel switching to RNG or other renewable fuels and other efforts to achieve rapid deep decarbonization of California's industrial sector.
- Supports updating global warming potential values ("GWP") based on the latest science as represented in the 5th Assessment Report ("AR 5") of the Intergovernmental Panel on Climate Change.
- Urges CARB to evaluate requirements for use of natural gas utility allowance value that supports California's Renewable Gas Standard ("RGS") and development of additional RNG sources at lower cost. For example, utility allowance value could be used to cover interconnection costs for new RNG projects, in order to reduce costs associated with complying with the RGS for ratepayers and enable greater access to RNG at lower costs for non-core customers, while supporting the State's efforts to reduce methane and other short-lived climate pollutants.

Conclusion

¹https://ww2.arb.ca.gov/system/files/webform/public_comments/4466/Amp%20June%202023%20Joint%20Cap-and-Trade%20Program%20Workshop%20Comment%20Letter%20vF.pdf



Thank you again for the opportunity to comment on the July 27, 2023 Potential Amendments to the Cap-and-Trade Regulation Workshop. We support CARB in its efforts to maintain a strong Cap-and-Trade program to achieve the State's greenhouse gas goals, including decarbonizing industry and directing RNG toward stationary sources. We look forward to continuing to work with you through this process and other related efforts to achieve these outcomes.

Sincerely,

Cassandra Farrant

Cassandra Farrant
Head of Environmental Credit Compliance
Amp Americas