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October 26, 2023

California Air Resources Board
1001 I Street
Sacramento, CA 95814
VIA ONLINE SUBMISSION

RE: October 5th Workshop: Potential Amendments to the Cap-and-Trade Regulation

Dear CARB Members and Staff,

WPGA is pleased to submit comments in response to the October 5th workshop on potential amendments to the cap-and-trade regulation. We are highly supportive of the continued goals of the cap-and-trade program to reduce greenhouse gas (GHG) emissions across every sector of California's economy in a cost-effective and stable manner. California's cap-and-trade program is the single most effective tool at reducing GHGs across the state's businesses while protecting consumers from significant cost impacts.

WPGA is requesting that renewable propane and other biogenic fuels developed as liquified petroleum gas (LPG) substitutes be included as exempt from the rulemaking moving forward in 95852.2, as noted in the staff presentation as a request for feedback. (RE: Would any supplier or supply of biogenic transportation fuels, gaseous or liquid biomethane, or biogenic propane not be addressed by emission categories specified in 95852(c),(d),(e),(f),(k), and (i)?)

The inclusion of renewable propane into cap-and-trade is consistent with other included biogenic fuels – and is not currently allowed by statute. Propane or LPG is a distinct fuel source from renewable liquified/compressed natural gas or biomethane and other biogenic fuels. Unfortunately, other biogenic fuels with low carbon intensities are able to take advantage of an exemption from cap-and-trade and encourage the rapid GHG reduction of fuels, while propane is not.

Propane being currently not exempted from the program creates significant costs onto the fuel. Propane is a fuel that is utilized in every sector of the California economy (residential, commercial, industrial, agricultural, transportation) yet currently only transportation uses are eligible for any credits for renewable or biogenic fuels under the Low Carbon Fuel Standard. Including an exemption in the next cap-and-trade rulemaking will allow renewable propane and all biogenic LPG to more easily enter into very hard to decarbonize markets, including rural communities and remote work sites, at competitive costs.

California would not be alone in granting this exemption. Washington state's recent cap-and-invest program – though not linked to California's program – is the most recent state to adopt

such a program and does include explicit language that exempts all “renewable fuels of biogenic origin¹,” which is inclusive of renewable propane, within its regulation.

We believe that this inclusion is entirely consistent with other exemptions, including renewable diesel, biodiesel, and fuel ethanol amongst others in 95852.2.

We welcome any opportunity to have further conversation with CARB staff or consultants to encourage this exemption, how it would provide value to California consumers, improve the state’s GHG emissions footprint, and support transitioning away from fossil fuels in hard to decarbonize portions of the state.

Sincerely,

A handwritten signature in black ink that reads "Krysta Wanner". The signature is written in a cursive, flowing style.

Krysta Wanner
Manager of Government Affairs, WPGA
krysta@westernpga.org

¹ WAC 173-446-040(2)(a)(i) Exemptions, accessed 10/26/2023: <https://app.leg.wa.gov/WAC/default.aspx?cite=173-446&full=true&pdf=true>