

DOCKETED

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on Low Carbon Fuel Production Program Initial Workshop

Additional submitted attachment is included below.



March 12, 2019

California Energy Commission
1516 9th St
Sacramento, CA 95814

RE: Docket No. 19-TRAN-01, Low Carbon Fuel Production Program Initial Workshop Comments

Dear Energy Commission,

Thank you for the opportunity to comment on the Low Carbon Fuel Production Program's draft guidelines. The program is a practical way to spur more low carbon fuels in the state, and reduce the emissions impact of the transportation sector. AJW works with a variety of low carbon fuel producers across the country, and our clients have demonstrated success in replacing gasoline and diesel.

This program appears designed to work in sync with the Low Carbon Fuel Standard, which encourages fuel producers to lower their carbon intensity scores through investments in production technology. These investments typically happen gradually, allowing companies to accrue the revenue benefits of their investments, and provide justification for future investments. As a result, many fuels are on a sliding path nearing 30 g/MJ, but may need an additional round of production investments to hit this threshold.

In reviewing the program guidelines, we have concerns that the "hard line" carbon intensity of 30 g/MJ CO₂e or less might be overly restricting and not provide the Commission with a diversity of applications. We suggest more of a "soft line" approach: the Commission could consider applications that are near 30 g/MJ, but have a verifiable pathway to drop the CI score below 30 with additional investment (including investment from LCFPP).

AJW looks forward to working with its renewable fuel clients on this exciting new funding opportunity within the state.

Sincerely,

Mary Solecki
Partner, AJW
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