From:	Graham Noyes
To:	WIND Cory Ann
Subject:	Re: Update on Alternative Jet Fuel in California"s LCFS
Date:	Friday, June 22, 2018 07:54:32
Attachments:	AJF Producer Comments to ARB LCFS 1 Mar 2017.pdf

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The best short summary on this is contained in our comment letter of March 1, 2017. It discusses why the opt-in approach is consistent with federal pre-emption and also the Renewable Fuel Standard. I think that Airlines for America has developed more extensive comments on this- please let me know if I should follow up with them and submit anything further on this issue.

Best Regards,

Graham

On Fri, Jun 22, 2018 at 7:47 AM, WIND Cory Ann <Cory.Ann.WIND@state.or.us> wrote:

> He seemed to be focused on the concept of credit generation without deficit generation for the petroleum side. I am having Bill dig out the CARB workshop materials but thought you might also have something handy on that.
>
> *Cory-Ann Wind*
>
> Oregon Clean Fuels Program Manager
>
> wind.cory@deq.state.or.us
>
> 503-229-5388
>
> **From:** Graham Noyes <graham@noyeslawcorp.com>
> **Sent:** Friday, June 22, 2018 7:46 AM
>
> **To:** WIND Cory Ann <Cory.Ann.WIND@state.or.us>
> **Subject:** Re: Update on Alternative Jet Fuel in California's LCFS
>
> Thanks Cory-Ann. Yes, I would be glad to do this. As part of our work with CARB, United sponsored a literature review of alternative jet fuel (AJF) emission studies. Based on the literature, there are no indications of any increased criteria pollutant emissions from AJF and there are some significant reductions, particularly in particulate matter. Please let me know if I should submit this to Ali.
>
> Best Regards,

Graham

On Fri, Jun 22, 2018 at 7:40 AM, WIND Cory Ann <Cory.Ann.WIND@state.or.us> wrote:

> I was hoping to set up some time for you to chat with our new air quality administrator, Ali Mirzakhalili. He had some questions regarding the addition of renewable jet to the program and I thought it might be useful for him to speak directly with you about it. if that sounds good to you, I'll have his admin find some time on his very tight schedule for a call in the not-to-distant future.
>
> *Cory-Ann Wind*
>
> Oregon Clean Fuels Program Manager
>
> wind.cory@deq.state.or.us
>
> 503-229-5388
>
> **From:** Graham Noyes <graham@noyeslawcorp.com>
> **Sent:** Friday, June 22, 2018 7:35 AM
> **To:** WIND Cory Ann <Cory.Ann.WIND@state.or.us>
>
> **Subject:** Re: Update on Alternative Jet Fuel in California's LCFS
>
> Cory-Ann,
>
> Unfortunately I cannot join in Portland as I will be back in DC all next week. I plan to brief Lindsay from REG on the issues, and she will be there in person.
>
> Best Regards,
>
> Graham
>
> On Thu, Jun 21, 2018 at 11:23 PM, WIND Cory Ann <Cory.Ann.WIND@state.or.us>

wrote:

> Thanks, Graham. Are you planning on being in Portland next week for the advisory committee meeting?
>
> *Cory-Ann Wind*
>
> Oregon Clean Fuels Program Manager
>
> wind.cory@deq.state.or.us
>
> 503-229-5388
>
> **From:** Graham Noyes <graham@noyeslawcorp.com>
> **Sent:** Thursday, June 21, 2018 1:49 PM
> **To:** WIND Cory Ann <cory.ann.wind@state.or.us>; PETERS Bill N. <bill.n.peters@state.or.us>; Graham Noyes <graham@noyeslawcorp.com>
> **Subject:** Re: Update on Alternative Jet Fuel in California's LCFS
>
> Cory-Ann and Bill,
>
> As I am sure you are aware, CARB released their 15-day package yesterday with a comment deadline of July 5th. Regarding the jet fuel issues, I have reviewed the proposal and have discussed it with the producers. We are in full support of the proposal and do not anticipate any changes to any aspect of it.
>
> Best Regards,
>
> Graham
>
> On Fri, Jun 8, 2018 at 8:18 AM, Graham Noyes <graham@noyeslawcorp.com> wrote:
>
> > Cory-Ann and Bill,
> >
> > I hope that all is well. Here is a quick update on the status of including alternative jet fuel into the Low Carbon Fuel Standard, and the CARB rule making timetable. Please let me know if you would like more formal input on this. Regarding the

upcoming Clean Fuels Advisory meeting on June 28th, I am unable to attend in person as I have a trip to DC scheduled that week. I will be participating remotely. Please let me know if I should have someone appear in person on my behalf to address any alternative jet fuel issues.

At our meeting with Sam Wade and Anil Prabhu on May 24th, we were able to reach agreement on all aspects of the proposed LCFS regulation pertaining to the crediting of alternative jet fuel. CARB does not plan to significantly change their prior carbon intensity baseline determination of an 89.84 for conventional jet fuel as of 2010. However, they are making adjustments to OPGEE that will have some minor impact on the CI baseline for all petroleum products so the jet fuel baseline will move in line with these adjustments. This will change both the diesel benchmark scores contained in Table 2 and the jet fuel benchmark scores contained in Table 3 of the regulation.

Regarding the CI curve, CARB plans to hold the CI benchmark score for jet fuel static until the diesel benchmark moves down to it. The policy reasoning for this is that CARB does not have GHG regulatory authority over jet fuel so will not adjust this CI benchmark initially. However, once the diesel benchmark moves down to the jet fuel level, the two benchmarks will move in unison. The policy justification for this is that CARB does not want to provide more LCFS crediting to low carbon jet fuel than to low carbon on-road diesel fuel. I have confirmed with all active stakeholders involved in the rule making process that there is full support for CARB's proposal.

Using the most recent version of the proposed regulations for reference and applying CARB's policy approach, the CI for jet fuel contained in Table 3 will be set at 89.84 for 2019-2022. In 2023, the diesel line will meet it and both fuels will be set at 89.59 for 2023 then move downward together in subsequent years.

Regarding all other aspects of the regulation, we are in strong support and no changes are anticipated in the new package.

Here is my best estimate on how the rule making will proceed based on discussions with Sam:

June 11th, 1-5 pm- LCFS Workshop where CARB will release updated LCFS regulation and protocol and explain changes (Webcast at the Cal/EPA's homepage at https://video.calepa.ca.gov/.)

(Estimated) June 19th- CARB to release the full 15-day package triggering comment period. Comments can be submitted on subjects related to 15-day amendments.

(Estimated) July 4th- 15-day comment period ends.

(Estimated) August 15th- CARB releases second 15-day package. Comments are germane on second 15-day amendments only.

(Estimated) August 30th- second 15-day comment period ends.

September 27-28- Target Board Meeting for approval of final version of rule package (second package plus minor corrections only).

Please let me know if anything else would be helpful on these issues.

Best Regards,

Graham

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Graham Noyes

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