From: Graham Noyes
To: WIND Cory Ann; PETERS Bill N.; Graham Noyes
Subject: Update on Alternative Jet Fuel in California"s LCFS
Date: Friday, June 08, 2018 08:18:33

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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