



**Imperial Western Products, Inc.**

Acting Chief  
Transportation Fuels Branch  
California Air Resources Board  
P.O. Box 2815  
1101 I Street  
Sacramento, CA 95814

**RE: Comments on Low Carbon Fuel Standard Public Workshop to Discuss Potential Regulation Revisions**

To Whom it May Concern,

Imperial Western Products (IWP) is a biodiesel producer located in Coachella, California. We appreciate the commitment from CARB to continual improvement of the LCFS program and would like to take this opportunity to comment and pose some questions.

IWP suggests the regulation should provide greater clarity on the issue of organic waste diverted from landfill, and the criteria used to qualify for avoided methane credits when used as a feedstock for fuel production. Current regulation, § 95488.9 (f) (2), contains three provisions that must be met:

- A) The organic material that is used as a feedstock would otherwise have been disposed of by landfilling, and the diversion is additional to any legal requirement for the diversion or organics from landfill disposal.
- B) Any degradable carbon that is not converted to fuel is subsequently treated in an aerobic system or otherwise is prevented from release as fugitive methane. Upon request, the applicant must demonstrate that emissions are not significant beyond the system boundary of the fuel pathway.
- C) The baseline quantity of avoided methane reflected in the CI calculation is additional to any legal requirement for the avoidance or capture and destruction of biomethane.

In regards to condition “A”, we request specific criteria be established for how a fuel pathway applicant may demonstrate that the organic material would have otherwise been disposed of by landfilling. A more uniform and fuel neutral approach in evaluating whether a feedstock meets this requirement would provide much needed clarity when pursuing new pathway applications. For instance, specifying that supporting documentation such as invoices or manifests from landfills be submitted with the application would provide greater transparency into how the determination is made. Some guidance exists for biomethane Tier 1 pathways but not for other fuel types that require a Tier 2 pathway in order to claim landfill diversion credit. As more novel

technologies for recycling and fractionating organic waste streams achieve commercial viability, the need for a comprehensive approach will grow.

Current LCFS regulation allows for avoided methane credits for organic waste diverted from landfill. The Tier 1 Simplified CI Calculator for Biomethane from Anaerobic Digestion of Organic Waste, characterizes organic waste into three categories: Food Scraps, Urban Landscaping Waste and User Defined Organic Waste. The 'Fate' tabs for each organic waste type all utilize an identical methodology based on the same parameters in calculating the "Credit from Avoided CH<sub>4</sub> Fugitive Emissions from Landfill Diversion" credit value. Given that the calculation of the credit value is wholly dependent on the characteristics of the organic waste and independent of fuel type, IWP believes that this exact calculation should be able to be applied in calculating diversion credits when the identical feedstock is used in fuel pathways other than biomethane. We would like to know if our logic is correct and if not why the calculation of the credit value for organic waste is not independent of fuel type?

As regulation mandating organic waste landfill diversion expands nationwide, the eligibility of many feedstock to qualify for diversion credits will be eliminated under the current requirement that diversion must be "additional to any legal requirement". If CARB intends to maintain this requirement into the future we strongly urge that it be applied in an equitable, fuel type neutral manner. Biomethane pathways in particular would be negatively impacted by enforcement of this requirement in California as most all organic waste is required by law to be diverted from landfill according AB1826 and SB1383.

#### AB1826

##### 42649.81.

(a) (1) On and after April 1, 2016, a business that generates eight cubic yards or more of organic waste per week shall arrange for recycling services specifically for organic waste in the manner specified in subdivision (b).

(2) On and after January 1, 2017, a business that generates four cubic yards or more of organic waste per week shall arrange for recycling services specifically for organic waste in the manner specified in subdivision (b).

(3) On and after January 1, 2019, a business that generates four cubic yards or more of commercial solid waste, as defined in Section 42649.1, per week, shall arrange for recycling services specifically for organic waste in the manner specified in subdivision (b).

(4) On or after January 1, 2020, if the department determines that statewide disposal of organic waste has not been reduced to 50 percent of the level of disposal during 2014, a business that generates two cubic yards or more per week of commercial solid waste shall arrange for the organic waste recycling services specified in paragraph (3), unless the department determines that this requirement will not result in significant additional reductions of organics disposal.

##### 42649.82.

(a) (1) In addition to the requirements of Section 42649.3, on and after January 1, 2016, each jurisdiction shall implement an organic waste recycling program that is appropriate for that jurisdiction and designed specifically to divert organic waste generated by businesses subject to Section 42649.81, whether or not the jurisdiction has met the requirements of Section 41780.

SB1383

SEC. 3.

Section 39730.6 is added to the Health and Safety Code, to read:

39730.6.

(a) Consistent with Section 39730.5, methane emissions reduction goals shall include the following targets to reduce the landfill disposal of organics:

- (1) A 50-percent reduction in the level of the statewide disposal of organic waste from the 2014 level by 2020.
- (2) A 75-percent reduction in the level of the statewide disposal of organic waste from the 2014 level by 2025.

We also have a couple questions relating to how renewable process energy for fuel production is accounted for in the regulation. Regulation, § 95488.8, (h) (1), currently states,

Low-CI electricity must be supplied from generation equipment under the control of the pathway applicant. Such electricity must be able to demonstrate:

(A) Any renewable energy certificates or other environmental attributes associated with the energy are not produced, or are retired and not claimed under any other program with the exception of the federal RFS, and the market-based compliance mechanism set forth in title 17, California Code of Regulations Chapter 1, Subchapter 10, article 5 (commencing with section 95800).

(B) The generation equipment is directly connected through a dedicated line to a facility such that the generation and the load are both physically located on the customer side of the utility meter. The generation source may be grid-tied, but a dedicated connection must exist between the source and load.

(C) The facility's load is sufficient to match the amount of low-CI electricity claimed using a monthly balancing period.

Would a multi-use facility generating low-CI electricity be allowed to preferentially allocate that energy towards fuel production?

As California is mandating that electric and natural gas utilities utilize increasing percentages of renewable energy, how is CARB planning to update the emissions factors used in the modeling to reflect this?

Best Regards,



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