



Low Carbon Fuel Standard (LCFS) Implementation Series #3

The Low Carbon Fuel Standard (LCFS) implementation is approaching and with the intention of becoming an accredited verification body, Christianson has been participating in discussions and Public Workshops with the California Air Resources Board (CARB).

This is the third in a series of updates that Christianson will be providing on the current status of the regulation. If you missed the previous newsletters, you can find them on our website <u>here</u>.

Discussions are still in progress regarding the LCFS regulation. During the September 22nd, 2017 Public Workshop, CARB proposed a new topic for discussion regarding election of a lower carbon intensity (CI). Under this proposal, if the verified carbon intensity from annual reporting is lower than the certified carbon intensity in the fuel pathway, then the fuel pathway holder has two options. The fuel pathway holder can either maintain the original pathway certified CI, or elect to replace the original CI with the lower verified CI. This proposal would allow the fuel pathway holder to change their certified CI without having to remodel or go through the registration process.

It is important to note that if the lower verified CI is elected, that this CI must be met going forward. If it is not met, the fuel pathway holder is considered to be out of compliance, and would be subject to potential LCFS credit adjustments and enforcement investigations by CARB.

The official proposed LCFS rule is expected to be released late December of 2017 or early January of 2018 at which time it will be sent to the CARB board for approval. Christianson will review the proposal for further clarification on this topic.

Please respond to this email or call Kari Buttenhoff at 320-235-5937 if you have questions or comments regarding LCFS validation and verification, or other LCFS topics. Christianson will be at the OPIS LCFS & Carbon Markets Workshop in San Francisco next week, December 6th-8th. If you are also attending and would like to arrange a meeting while there, please contact us. Additionally, watch for our next email in the LCFS Implementation Series for further information and updates!