



Low Carbon Fuel Standard (LCFS) Implementation Series

The Low Carbon Fuel Standard (LCFS) implementation is approaching and Christianson has been participating in discussions and Public Workshops with the California Air Resources Board (CARB) with the intention of providing the upcoming LCFS verification services. The purpose of these workshops is to discuss proposed amendments to the current LCFS regulation. This is the first in a series of updates that Christianson will be providing over the next year to keep you up to date on the current status of the regulation until the effective date in January 2019.

The most recent Public Workshop took place on September 22nd, 2017. One of the main topics is the addition of a third-party verification process. Here are some of the key points:

 CARB will be requiring validation of fuel pathway applications, and an annual verification statement from a third-party verifier (Verification Body). The outcome of this validation can result in a Positive, Qualified Positive or Adverse opinion.

- CARB has proposed a verification body and individual verifier rotation (to also include subcontractors). This would consist of a three year break after six years of verification services.
- There are strict Conflict of Interest considerations currently proposed. A self-assessment will be required before conducting any verification services, and any services being provided that are in a high risk category set out by CARB will restrict the verification body from providing LCFS verification services.
- The conflict of interest requirements will also require a look back that starts in 2019 and 2020 with a 3 year look back and builds to a 5 year look back. The services you are receiving today will affect whether you can use a particular firm for verification services in 2019.

The current proposed requirements for verification body rotation and conflict of interest could make it difficult to keep an efficient, low cost, and effective verification process by disqualifying professionals that are already involved with your proprietary information or forcing audit rotation and retraining of your verification body every 3 years. CARB has heard from the verification bodies regarding these regulations and has <u>requested to hear from the producers</u>.

We need your help through public comments to have these rules drafted so that they take advantage of current relationships with your existing professionals.

Please respond to this email or call Kari Buttenhoff at <u>320-235-5937</u> for some talking points regarding these topics. Comments for this webinar are due to CARB by this Friday, October 6th and can be sent to <u>LCFSWorkshop@arb.ca.gov</u>. They will accept late comment letters if filed within a week of the posted deadline. Additionally, please watch for our next email in the LCFS Implementation Series for further information and updates!

<u>Call or Contact Us</u> today with any questions.

Contact Us

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