

# **Low Carbon Fuel Standard Compliance and Enforcement Working Group 2 Meeting**

**October 23, 2007**

California Environmental Protection Agency

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**Air Resources Board**

# Agenda

- Introduction
- Summary of Last Meeting
- Tracking and Reporting Issues
  - RINs issues
  - Point of regulation
  - How to track the trading
  - Inspection
- Next Meeting

# Summary of Last Meeting

- Introduced the Objectives and Framework
- Issues Directed to Working Group 1
  - GHG intensity accounting
  - Land use issues
  - Fossil feedstocks

# Summary of Last Meeting, Cont'd

- Policy Issues Directed to Working Group 3
  - How to constraint the boundary of LCFS
  - Trading issues
  - Interaction with AB 32 and double crediting
  - Interaction with AB 1493 and double crediting
  - Enforcement challenge on Buy-out price
  - Default values
  - Electricity quantification and tracking
  - Inclusion of bunker, aviation and marine fuels

# **Discussion of Tracking and Reporting System**

# Issues of Renewable Identification Numbers (RINs)

## ■ What is RIN?

- A 38-character numeric code
- Generated by producers/importers
- Assigned to batches transferred to others

## ■ How RIN is used?

- Forms the basic currency of RFS
- Equivalence value is the key

# More Issues of RINs

## ■ Can RINs be Used in LCFS

### – Advantages

- Currently available (Effective on Sep. 1, 2007)
- Potential of adding GHG information

### – Disadvantages

- Insufficient information on GHG accounting
- Separation of RINs and Renewable Fuels
- Difficulties in tracking the Transactions of RINs

### – UC recommendations

# Point of Regulation

## ■ UC LCFS Recommendations

	<b>Liquid fuels</b>	<b>Electricity</b>	<b>Gaseous fuels</b>
<b>Regulated Entities</b>	Providers: <ul style="list-style-type: none"><li>▪ Refiners</li><li>▪ Blenders</li><li>▪ Importers</li></ul>	Distributors of the electricity	Distributors of the fuel
<b>Point of Regulation</b>	Point where finished gasoline or diesel is first manufactured or imported	Point where the supply of electricity to the vehicle	Point where the supply of the fuel to the vehicle



# How to Track the Trading

## ■ Technical Approaches

- Document all the transactions
  - Product transfer documents (PTDs)
  - Chain of custody
- Periodical reporting
- Attach all documents to the fuel

## ■ Discussions

# Inspection

- Include Inspection in LCFS ?
  - Sampling at distributor level
  - Random testing
- Difficulties
  - How to distinguish biofuel from blends
- Technical Approaches
  - Accelerator mass spectrometry (AMS)
  - Scintillation counting

# Open Discussion

# Next Meeting

- Dates/Times
- Potential Issues
- Tentative Agenda

# For More Information

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## ■ Visit our website at:

<http://www.arb.ca.gov/fuels/lcfs/lcfs.htm>