Low Carbon Fuel Standard
Compliance and Enforcement
Working Group 2 Meeting

October 23, 2007
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
## UC LCFS Recommendations

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<th>Regulated Entities</th>
<th>Liquid fuels</th>
<th>Electricity</th>
<th>Gaseous fuels</th>
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<td>Providers:</td>
<td>Distributors of the electricity</td>
<td>Distributors of the fuel</td>
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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