



LCFS Guidance

June 2019



Low Carbon Fuel Standard (LCFS) Guidance 19-07

CARB Review and Approval of Third Party Reviewers for CCS Projects

INTRODUCTION

The California Air Resources Board's (CARB) Low Carbon Fuel Standard regulation, which appears at sections 95480 to 95503 of title 17, California Code of Regulations, is designed to reduce greenhouse gas emissions associated with the life cycle of transportation fuels used in California. CARB staff has prepared this guidance document to describe the regulatory requirements in a user-friendly format. Unlike the regulation itself, this document does not have the force of law. It is not intended to and cannot establish new mandatory requirements beyond those that are already in the LCFS Regulation, nor can it supplant, replace or amend any of the legal requirements of the regulation. Conversely, any omission or truncation of regulatory requirements does not relieve entities of their legal obligation to fully comply with all requirements of the regulation.

BACKGROUND

The LCFS Regulation¹ requires entities seeking Permanence Certification for CCS projects to have their applications reviewed by third party reviewers who have been evaluated and approved by CARB staff (LCFS CCS Protocol sections C.1.1.2(b)&(d)). Third party reviewers are certified professional geologists for Sequestration Site Certifications and licensed professional engineers for CCS Project Certifications (hereafter referred to as "third party reviewers").

CCS Operators, third party reviewers, and employing companies of third party reviewers (if applicable) are responsible for ensuring compliance with the independence requirements in the LCFS CCS Protocol (LCFS CCS Protocol section C.1.1.1(a)). CARB may request records at any time during the duration of the CCS project to

¹ All citations to the LCFS Regulation are found in Title 17, California Code of Regulations (CCR), sections 95480-95503.

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ascertain whether the third party reviewer or employing company provided other professional services to the CCS Operator for the CCS project reviewed. If CARB finds at any time that other professional services were provided for the CCS project reviewed, CARB may rescind Permanence Certification.

The third party reviewer must submit materials to allow CARB to assess third party reviewer competency and conflict of interest (COI) as required in the LCFS CCS Protocol. Additional information and guidance for providing these materials are described below.

Third Party Reviewer Competency Evaluation

Third party reviewers must submit the following information to CARB to demonstrate competency (LCFS CCS Protocol section C.1.1.1(a)):

- A detailed CV or Resume
- Dates worked, company, position/title, brief description of duties performed, licenses, and education
- A list of projects completed in the past five years in which the potential third party reviewer worked as the primary manager or contributed a significant amount of time including:
 - Projects related to CO₂-EOR completed for another company
 - Projects studying or working in the same basin or reservoir as the applicant
 - Any other projects that seem applicable to the application
 - The submittal must include: the start and end dates, names, roles, and description

The third party reviewer must also attest to the truthfulness of the information submitted for competency. CARB staff has developed a template that may be used for this purpose (Appendix A).

Conflict of Interest Assessment

Conflict of Interest must be assessed against the work and relationships of the individual third party reviewer, as well as the employing company of the third party reviewer (if applicable), and the CCS Operator. The third party reviewer and the employing company must submit a separate COI assessment and attestation when requesting CARB evaluation of the reviewer and one year after the completion of certification. The employing company of the third party reviewer should submit the applicable information to CARB on behalf of the third party reviewer. The information that must be submitted for the third party reviewer, as well as the employing company, is described below.

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Third Party Reviewer COI Assessment

- Provide a list of projects that the potential third party reviewer worked on for the CCS Operator that ended within five years of the application submittal
 - Include a list of each project and description of work that was completed for the CCS Operator
 - Include the dates worked, company, and position/title

The third party reviewer must also attest to the truthfulness of the information submitted for the COI assessment. CARB staff has developed a template that may be used for this purpose (Appendix B).

Employing Company of Third Party Reviewer COI Assessment

- Provide a list of projects that ended within five years of the application submittal that the employing company worked on for the CCS Operator, including:
 - A brief description of scope of work, dates of service, primary staff, projects revenue each year, total company revenue each year, and comparison
 - A comparison of sum of past revenue from the potential CCS Operator to expected revenue from CCS Permanence Certification review
- Include a company organizational chart, including management chain for the proposed third party reviewer

The employing company for the third party reviewer must also attest to the truthfulness of the information submitted for the COI assessment. CARB staff has developed a template that may be used for this purpose (Appendix C).

Additional Guidance for Third Party Reviewers

The purpose of the third party review is to ensure that professionals with designated expertise review key CCS project and site designs, plans, and construction that are ultimately designed to ensure project permanence. Third party reviewers should not act in a consultancy role and procedures should be implemented to maintain independence. For example, a third party reviewer should not provide services that could result in reviewing their own work and should not advocate on behalf of the client's interests.

CARB staff understand that CCS Project Operators may want to bring third party reviewers into the process prior to submitting a full application. If a third party reviewer is included in the process prior to submitting a full application, input from the third party reviewer on CCS project preliminary application materials should be kept to indications of whether the third party reviewer believes the information or data could be certified according to their professional judgment pursuant to the requirements of the LCFS

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Regulation and the CCS Protocol, and not stray into recommendations for the design of the project, including any project modeling. If the third party reviewer is involved in any way with the project prior to the submittal of the full applications, the third party reviewer may be asked to provide information to CARB as to the nature of the communication between the third party reviewer and the CCS Operator to ensure the third party reviewer did not provide consulting services for the project.

CONTACT

If you have questions regarding the above information, please visit the LCFS Contacts webpage: <https://www.arb.ca.gov/fuels/lcfs/contact.htm>.

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APPENDIX B

CARB staff is making available the following form for submitting the required conflict of interest attestations for third party reviewers (LCFS CCS Protocol section C.1.1.1(a); 13, CCR, 958488.8(a)(3)).

Conflict of Interest Attestation Template for Third Party Reviewers

I, _____ (third-party reviewer), attest to the veracity of the information submitted as part of financial disclosure and conflict of interest determination, for potential independent third party review of the LCFS CCS Protocol application to be submitted by _____ (CCS Operator). I certify under penalty of perjury under the laws of the State of California that I have personally examined, and am familiar with, the statements and information submitted in this document. I have not provided nor do I intend to provide other professional services associated with the CCS project in addition to the potential third party review. I certify that the statements and information submitted to CARB are true, accurate, and complete.

Printed Name

Signature

Date

