



March 22, 2016

Jim Duffy
California Air Resources Board
1001 I Street
Sacramento, CA 95814

Sent via electronic mail: jduffy@arb.ca.gov

RE: RPMG Comments on ARB staff presentation – LCFS Dashboard

Dear Jim,

Thank you for the opportunity to comment on the recently present staff proposal for LCFS Dashboard report information. As a Midwest biofuel marketing company, RPMG, Inc. is in full support of the initial proposal by staff to develop and release the Dashboard for LCFS credit trading activity. These reports as a whole will make the LCFS credit trading market more transparent and timely. These additions will aid the market by providing reliable activity reporting from data collected in LRT. It is expected these reports will be referenced and utilized as soon as they are published.

The comments below include some discussion regarding select slides proposed for the Dashboard. There are suggestions for simple improvement in some areas and comment for proposed areas essentially complete on their own.

Weekly Credit Transfer Activity Report (Slide 2)

RPMG greatly appreciates the proposed addition of the Weekly Credit Transfer Activity Report. The market has been in need of such a report. It is expected for this report to provide more timely detail on pricing differences between LCFS Reporting Tool – Credit Banking and Trading System (LRT-CBTS) in comparison to third party price services. The format and data points proposed are sufficient. The notation of any data excluded is important to the full understanding of CBTS activity. The main benefit of such information is that pricing variability can be harnessed and can be used in conjunction with other references. This will be helpful and valuable to the LCFS marketplace.

Total Credits and Deficits for All Fuels Reported and Cumulative Credit Bank (Slide 4)

The cumulative credit bank curve is understood to be available credits after compliance obligations are retired. It is expected the curve will come down as the compliance schedule progresses downward and banked credits within the program will be used to meet compliance obligations. CARB should consider adding an additional curve for any cumulative outstanding deficit balance. Any out-standing deficits will inevitably draw down the cumulative credit balance. The additional requested curve would allow stakeholders to see potential future banked credit trends.

LCFS Credit Price and Credit Transaction Volume (Slide 6)

This slide is an effective tool for monitoring credit activity reported in LRT-CBTS in comparison to the details reported to third party pricing services. The format and data points proposed are sufficient. The visual is clear and concise. Trends are can be readily digested. Parties can monitor those trends as desired.

Net Position Histogram (Slide 7)

RPMG believes the data being presented on this slide could be clearer. The current format unfortunately distracts, and the result is the report is not as valuable as it could be. The intent of this figure is understood as displaying how broadly credits are dispersed between regulated parties, or indications of highly concentrated credit volumes by a few parties. The y axis is not clearly labeled, nor does it provide any scale. In general this figure is hard to follow. Perhaps this information would be better displayed in a different format. CARB may consider a pie chart or a bubble chart similar to what is proposed for the Volume-Weighted Average Carbon Intensity by Fuel Type.

Total Biofuel Credits by Feedstock Type: Crop or Residue (Slide 8)

This figure clearly shows the credits per feedstock/fuel type. The format is concise and easy to digest. The differentiation between crop-based fuels and residue-based fuels is sufficient. It would be interesting to see these same categories across in-state, out-state and international production origins, perhaps with a crosshatching within each color. Also, this slide may benefit from an associated data chart so that yearly changes by feedstock type, i.e. % increase in ethanol as a feedstock could be readily calculated.

RPMG looks forward to additional detailed discussions with ARB staff on these comments.

Sincerely,



Jessica Hoffman
Regulatory and Compliance Manager
RPMG, Inc.