

TITLE 17. CALIFORNIA AIR RESOURCES BOARD

NOTICE OF PUBLIC HEARING TO CONSIDER PROPOSED AMENDMENTS TO THE LOW CARBON FUEL STANDARD REGULATION

The California Air Resources Board (CARB or Board) will conduct a public hearing at the time and place noted below to consider approving for adoption the proposed amendments to the Low Carbon Fuel Standard Regulation (LCFS).

DATE: November 21, 2019

TIME: 9:00 A.M.

LOCATION: California Environmental Protection Agency
California Air Resources Board
Byron Sher Auditorium
1001 I Street
Sacramento, California 95814

This item will be considered at a meeting of the Board, which will commence at 9:00 a.m., November 21, 2019, and may continue at 8:30 a.m., on November 22, 2019. Please consult the agenda for the hearing, which will be available at least ten days before November 21, 2019, to determine the day on which this item will be considered.

WRITTEN COMMENT PERIOD AND SUBMITTAL OF COMMENTS

Interested members of the public may present comments orally or in writing at the hearing and may provide comments by postal mail or by electronic submittal before the hearing. The public comment period for this regulatory action will begin on October 4, 2019. Written comments not physically submitted at the hearing must be submitted on or after October 4, 2019, and received **no later than** November 18, 2019. CARB requests that when possible, written and email statements be filed at least ten days before the hearing to give CARB staff and Board members additional time to consider each comment. The Board also encourages members of the public to bring to the attention of staff in advance of the hearing any suggestions for modification of the proposed regulatory action. Comments submitted in advance of the hearing must be addressed to one of the following:

Postal mail: Clerk of the Board, California Air Resources Board
1001 I Street, Sacramento, California 95814

Electronic submittal: <http://www.arb.ca.gov/lispub/comm/bclist.php>

Please note that under the California Public Records Act (Gov. Code, § 6250 et seq.), your written and oral comments, attachments, and associated contact information (e.g., your address, phone, email, etc.) become part of the public record and can be released to the public upon request.

Additionally, the Board requests but does not require that persons who submit written comments to the Board reference the title of the proposal in their comments to facilitate review.

AUTHORITY AND REFERENCE

This regulatory action is proposed under the authority granted in California Health and Safety Code, sections 38510, 38530, 38560, 38560.5, 38571, 38580, 39600, 39601, 41510, 41511, 43000.5, 43013, 43018, and 43101; 42 U.S.C. section 7545, and *Western Oil and Gas Ass'n v. Orange County Air Pollution Control District*, 14 Cal.3d 411, 121 Cal.Rptr. 249 (1975). This action is proposed to implement, interpret, and make specific Health and Safety Code, sections 38510, 38530, 38560, 38560.5, 38571, 38580, 39600, 39601, 41510, 41511, 43000.5, 43013, 43018, and 43101; 42 U.S.C. section 7545, and *Western Oil and Gas Ass'n v. Orange County Air Pollution Control District*, 14 Cal.3d 411, 121 Cal.Rptr. 249 (1975).

INFORMATIVE DIGEST OF PROPOSED ACTION AND POLICY STATEMENT OVERVIEW (GOV. CODE, § 11346.5, subd. (a)(3))

Sections Affected: Proposed amendment to California Code of Regulations, title 17, sections 95481, 95483, 95485, 95486.1, 95487, 95491, and 95495.

Background and Effect of the Proposed Regulatory Action:

In 2006, the Legislature passed and then-Governor Schwarzenegger signed the California Global Warming Solutions Act of 2006 (AB 32; Stats. 2006, Ch. 488). In Assembly Bill (AB) 32, the Legislature declared that global warming poses a serious threat to the economic well-being, public health, natural resources, and the environment of California. The Legislature further declared that global warming will have detrimental effects on some of California's largest industries, including agriculture and tourism, and will increase the strain on electricity supplies. The Legislature recognized that action taken by California to reduce emissions of greenhouse gases (GHG) will have far-reaching effects by encouraging other states, the federal government, and other countries to act. AB 32 creates a comprehensive, multi-year program to reduce GHG emissions in California, with the overall goal of restoring emissions to 1990 levels by the year 2020. AB 32 required CARB to take actions that included:

- Establishing a statewide GHG emissions cap for 2020, based on 1990 emissions;
- Adopting a scoping plan by January 1, 2009, indicating how emission reductions will be achieved from significant GHG sources via regulations, market mechanisms, and other actions;
- Adopting a list of discrete, early action GHG emission reduction measures by June 30, 2007, which can be implemented and enforced no later than January 1, 2010; and

- Adopting regulations by January 1, 2010, to implement the measures identified on the list of discrete early action measures.

In 2007, then-Governor Schwarzenegger signed Executive Order S-01-07. This executive order directed CARB to determine whether an LCFS for transportation fuels used in California could be adopted as a discrete early action measure pursuant to AB 32, and if so, to draft the LCFS so that it reduces the carbon intensity of transportation fuels used in California by at least 10 percent by the year 2020. In addition to substantially reducing GHG emissions from transportation fuels, the LCFS is expected to help diversify the transportation fuels market in California, thereby cutting petroleum dependency and creating a sustainable and growing market for cleaner fuels. In 2007, the Board approved a list of nine discrete early action measures, including a measure entitled, "Low Carbon Fuel Standard." The proposed regulation was designed to implement this measure pursuant to the requirements of AB 32 and Executive Order S-01-07.

The Board approved an LCFS regulation in 2009. The goal of the LCFS regulation was to reduce the carbon intensity of transportation fuels used in California by at least 10 percent by 2020 from a 2010 baseline. CARB approved revisions to the LCFS effective November 26, 2012.

On July 15, 2013, the State of California Court of Appeal (Court) issued its opinion in *POET, LLC v. California Air Resources Board* (2013) 218 Cal.App.4th 681, ruling that the LCFS adopted in 2009 and implemented in 2010 (referred to as 2010 LCFS) would remain in effect, and that CARB could continue to implement and enforce the 2013 regulatory standards while taking steps to address California Environmental Quality Act (CEQA) and Administrative Procedure Act (APA) issues identified in the ruling. To address those issues, CARB must set aside the existing LCFS regulation and re-adopt an LCFS regulation.

To comply with the court ruling, and to update and revise the LCFS regulation, on September 25, 2015, the Board set aside the previous version of the LCFS, and simultaneously adopted a new version of the LCFS. On that same day, the Board also adopted an ADF regulation designed to preserve or enhance public health, environmental and emission benefits associated with the use of innovative alternative diesel fuels in California.

In 2018, CARB approved amendments to the LCFS, which included a doubling of the carbon intensity target to 20 percent by 2030 to help achieve the SB 32 GHG reduction target of at least 40 percent below 1990 levels by 2030, inclusion of new credit generating opportunities, the establishment of a third-party verification program, adoption of a carbon capture and sequestration protocol, as well as additional updates and improvements to the program. CARB may also consider other changes to the sections affected, as listed on page 2 of this notice, during the course of this rulemaking process.

Objectives and Benefits of the Proposed Regulatory Action:

Strengthen the Cost Containment Provisions of the LCFS Program

The LCFS requires that regulated entities meet the annual carbon intensity standards. The regulation contains numerous design features that provide regulated parties with flexibility regarding their compliance strategy, which help to contain the cost of the program while achieving reductions in the carbon intensity of California's transportation fuel pool.

When the LCFS was re-adopted in 2015, the Board approved the addition of a cost containment provision in the LCFS, which has not been modified since. Under the current regulation, regulated entities would be allowed to hold deficits to the next compliance period, provided that they purchase their pro-rata share of all credits made available for sale during a year-end credit clearance market (CCM). This credit clearance mechanism is specified in section 95485 of the LCFS regulation. If there are insufficient credits pledged in the CCM, regulated entities may "bank" deficits for up to five years before they are in non-compliance with the standard, and incur 5 percent interest each year on all outstanding deficits up to the point of non-compliance. Credits can be sold in the CCM at a maximum price of \$200 in 2016 dollars, indexed for inflation. There is currently no equivalent price cap in the normal day-to-day LCFS market. Therefore, the maximum allowable price for credit sales in the CCM effectively functions as a "soft price cap" for the LCFS market as a whole.

With credit prices capped in the CCM and the allowance for five years of deficit banking, staff does not believe that regulated entities facing credit shortage will elect to pay more than the CCM's maximum price to obtain credits in the day-to-day market. Staff's reasoning is that there are plenty of GHG emission mitigation opportunities below the CCM's maximum price that can be brought online within a five-year period. Additionally, strong LCFS credit prices and the availability of recently introduced opportunities to generate credits will likely result in sufficient low-carbon fuel production and associated credit generation to meet the regulated entities' demand for credits.

While staff has confidence that the current provisions are robust enough to prevent prices from increasing beyond the CCM's maximum price, several stakeholders have expressed concerns that regulated entities may be willing to pay more than the maximum price to avoid the possibility of not meeting their annual deficit obligation. Others are concerned by the potential for some entities to manipulate the market and drive up prices for short term monetary gain. While staff believes these scenarios are unlikely, such price spikes may have adverse impacts on California consumers, potentially resulting in an erosion of support for the program, thereby leading to credit market instability and investor uncertainty in the long-term survival of the program. Avoiding credit market instability and deterring market manipulation is essential to ensure investment and support in the LCFS, which is essential for driving innovation and GHG emission reduction in transportation, California's largest sector of GHG emissions.

Staff's proposal will address concerns about an unlikely credit shortfall and further deters market manipulation that could result in high or unpredictable prices while ensuring ongoing support for transportation electrification. It will also address concerns of buyer liability expressed by some stakeholders about invalidation risk for credits purchased in the CCM. Finally, it will place a hard cap on the price of credits in the day-to-day market. In total, these provisions will strengthen the credit clearance market and create an upper bound on the potential compliance costs in the LCFS program, providing greater certainty for regulated entities and limiting potential adverse impacts on California consumers.

Support GHG and Criteria Pollutant Reductions in Disadvantaged Communities

To ensure that the economic and health benefits of the LCFS are directed towards and addressing equity and environmental justice concerns, staff proposes to require electric utilities to use a significant portion of their credit revenue to support transportation electrification in disadvantaged and/or low-income communities. Under the existing regulation, hundreds of entities across the State earn revenue from LCFS credits. The objectives of the program are well-aligned with environmental justice recommendations. However, the existing regulation does not specifically guarantee that the cleaner fuels and technologies promoted by the LCFS will be deployed in areas disproportionately affected by environmental pollution. Staff's proposal includes requirements to ensure that LCFS credit revenues are invested in disadvantaged and low-income communities and support improvements in local air quality.

Comparable Federal Regulations:

There are no current federal regulations comparable to the proposed regulation. The United States Environmental Protection Agency (U.S. EPA) has adopted Renewable Fuel Standard (RFS) regulations, 40 CFR §80.1400 et seq., that mandate the blending of specific volumes of renewable fuels into gasoline and diesel sold in the United States to achieve a specified ratio for each year (i.e., the renewable fuel standard). As defined, "renewable fuels" under the RFS superficially resembles the list of transportation fuels subject to the LCFS.¹ However, there are a number of reasons why the RFS is not comparable to the LCFS.

Congress adopted a renewable fuel standard in 2005 and strengthened it in December 2007 as part of the Energy Independence and Security Act. The RFS requires that 36 billion gallons of biofuels be sold annually by 2022, of which 21 billion gallons must be "advanced" biofuels and the other 15 billion gallons can be corn ethanol. The

¹ 40 CFR §80.1101(d)(1) and (2) provide the following definitions:

"(1) Renewable fuel is any motor vehicle fuel that is used to replace or reduce the quantity of fossil fuel present in a fuel mixture used to fuel a motor vehicle, and is produced from any of the following: (i) Grain; (ii) Starch; (iii) Oilseeds; (iv) Vegetable, animal, or fish materials including fats, greases, and oils; (v) Sugarcane; (vi) Sugar beets; (vii) Sugar components; (viii) Tobacco; (ix) Potatoes; (x) Other biomass; (xi) Natural gas produced from a biogas source, including a landfill, sewage waste treatment plant, feedlot, or other place where there is decaying organic material.

(2) The term 'Renewable fuel' includes cellulosic biomass ethanol, waste derived ethanol, biodiesel (mono-alkyl ester), non-ester renewable diesel, and blending components derived from renewable fuel."

advanced biofuels are those that achieve at least 50 percent reduction from baseline lifecycle GHG emissions, with a subcategory required to meet a 60 percent reduction target. These reduction targets are based on lifecycle emissions, including emissions from land use changes.

The RFS volumetric mandate alone will not achieve the objectives of the LCFS. The RFS targets only biofuels and not other alternatives; therefore, the potential value of electricity, hydrogen, and natural gas are not considered in an overall program to reduce the carbon intensity of transportation fuels. In addition, the targets of 50 percent and 60 percent GHG reductions only establish minimum requirements for biofuels, without incentivizing continuous improvements. Instead, the RFS assigns biofuels into four categories, without incentivizing innovations within any category. Finally, it does not apply to certain corn ethanol production plants, thus providing no incentive for reducing the carbon intensity from their fuels.

By contrast, the LCFS regulates all transportation fuels, including biofuels and non-biofuels, with a few narrow and specific exceptions. Thus, non-biofuels such as compressed natural gas, electricity, and hydrogen may play important roles in the LCFS program. In addition, the LCFS encourages much greater innovation than the federal program by providing important incentives to continuously improve the carbon intensity of biofuels and to deploy other fuels with very low carbon intensities.

If California were to rely solely on the RFS (i.e., the "No LCFS" alternative), the State would neither achieve the fuel carbon intensity goals, nor stimulate the innovation needed to support future dramatic GHG reductions from the transportation sector. Because of these differences, the federal RFS regulatory program is complementary but not comparable to the LCFS.

An Evaluation of Inconsistency or Incompatibility with Existing State Regulations (Gov. Code, § 11346.5, subd. (a)(3)(D)):

During the process of developing the proposed regulatory action, CARB conducted a search of any similar regulations on this topic and concluded these regulations are neither inconsistent nor incompatible with existing state regulations.

DISCLOSURE REGARDING THE PROPOSED REGULATION

Fiscal Impact/Local Mandate Determination Regarding the Proposed Action (Gov. Code, § 11346.5, subds. (a)(5)&(6)):

The determinations of the Board's Executive Officer concerning the costs or savings incurred by public agencies and private persons and businesses in reasonable compliance with the proposed regulatory action are presented below.

Under Government Code sections 11346.5, subdivision (a)(5) and 11346.5, subdivision (a)(6), the Executive Officer has determined that the proposed regulatory action would not create costs or savings to any State agency, would not create costs or savings in

federal funding to the State, and would not create costs or savings nor create a mandate to any local agency or school district, whether or not reimbursable by the State under Government Code, title 2, division 4, part 7 (commencing with section 17500), or other nondiscretionary cost or savings to State or local agencies.

That said, in the unlikely case where the credit clearance market is held due to a shortage of credits, the proposed amendments may lead to indirect fiscal impacts to the State and local governments. The proposed amendments may lead to lower LCFS credit prices, which may translate to lower gasoline and diesel prices and subsequently lower sales taxes for the State and local governments. Lower gasoline and diesel prices may also reduce the cost of acquiring fuel for State and local fleets. Lower LCFS credit prices may also lead to lower revenues from State and local agencies that utilize alternative fuels such as electricity and renewable natural gas as transportation fuels.

Housing Costs (Gov. Code, § 11346.5, subd. (a)(12)):

The Executive Officer has also made the initial determination that the proposed regulatory action will not have a significant effect on housing costs.

Significant Statewide Adverse Economic Impact Directly Affecting Business, Including Ability to Compete (Gov. Code, §§ 11346.3, subd. (a), 11346.5, subd. (a)(7), 11346.5, subd. (a)(8)):

The Executive Officer has made an initial determination that the proposed regulatory action would not have a significant statewide adverse economic impact directly affecting businesses, including the ability of California businesses to compete with businesses in other states, or on representative private persons.

Results of The Economic Impact Analysis/Assessment (Gov. Code, § 11346.5, subd. (a)(10)):

NON-MAJOR REGULATION: Statement of the Results of the Economic Impact Assessment (EIA):

- (A) The creation or elimination of jobs within the State of California.
The proposed amendments are not expected to result in creation or elimination of jobs within the State of California.
- (B) The creation of new business or the elimination of existing businesses within the State of California.
The proposed amendments are not expected to result in creation of new businesses or the elimination of existing businesses within the State of California.
- (C) The expansion of businesses currently doing business within the State of California.
The proposed amendments are not expected to result in expansion of businesses currently doing business within the State of California.

(D) The benefits of the regulation to the health and welfare of California residents, worker safety, and the state's environment.

The proposed amendments are not expected to result in direct benefits to the health and welfare of California residents, worker safety, and the state's environment. However, the amendments will bolster the existing cost containment provisions of the regulation, and ensure the long-term success of the program. The success of the program is essential for California to achieve its climate change goals, and may contribute to improvement in air quality in the State and subsequently lead to improvement in California residents' health. The LCFS also contributes to decreasing the dependence of California on fossil fuels, and in diversifying the State's transportation fuel pool, which will protect the California economy and residents from exogenous changes in the prices of fossil fuels. The proposed amendments also establish a framework in which electric utilities are required to contribute a certain percentage of the credits they generate for the benefit of disadvantaged and low-income communities.

Effect on Jobs/Businesses:

The Executive Officer has determined that the proposed regulatory action would not affect the creation or elimination of jobs within the State of California, the creation of new businesses or elimination of existing businesses within the State of California, or the expansion of businesses currently doing business within the State of California. A detailed assessment of the economic impacts of the proposed regulatory action can be found in the Economic Impact Analysis in the Initial Statement of Reasons (ISOR).

Benefits of the Proposed Regulation:

The objective of the proposed regulatory action is to strengthen the cost containment provisions of the LCFS program and to support GHG and criteria pollutant reductions in disadvantaged communities.

A summary of these benefits is provided, please refer to "Objectives and Benefits", under the Informative Digest of Proposed Action and Policy Statement Overview Pursuant to Government Code 11346.5(a)(3) discussion on pages four to five.

Business Report (Gov. Code, §§ 11346.5, subd. (a)(11); 11346.3, subd. (d)):

In accordance with Government Code sections 11346.5, subdivisions (a)(11) and 11346.3, subdivision (d), the Executive Officer finds the reporting requirements of the proposed regulatory action which apply to businesses are necessary for the health, safety, and welfare of the people of the State of California.

Cost Impacts on Representative Private Persons or Businesses (Gov. Code, § 11346.5, subd. (a)(9)):

In developing this regulatory proposal, CARB staff evaluated the potential economic impacts on representative private persons or businesses. CARB is not aware of any

cost impacts that a representative private person or business would necessarily incur in reasonable compliance with the proposed action.

Effect on Small Business (Cal. Code Regs., tit. 1, § 4, subds. (a) and (b)):

The Executive Officer has also determined under California Code of Regulations, title 1, section 4, that the proposed regulatory action would not affect small businesses because the proposed amendments are not expected to alter the compliance action of regulated entities.

That being said, all small businesses in California that are directly participating in the LCFS are low-CI fuel producers that would benefit from continued success of the LCFS program, as they generate LCFS credits which they can monetize. The improved cost containment mechanisms, will provide greater certainty to the credit market certainty, and ensure the long-term success of the program, indirectly benefitting small businesses in California.

Consideration of Alternatives (Gov. Code, § 11346.5, subd. (a)(13)):

Before taking final action on the proposed regulatory action, the Board must determine that no reasonable alternative considered by the Board, or that has otherwise been identified and brought to the attention of the Board, would be more effective in carrying out the purpose for which the action is proposed, would be as effective and less burdensome to affected private persons than the proposed action, or would be more cost-effective to affected private persons and equally effective in implementing the statutory policy or other provisions of law.

The Executive Officer analyzed several alternatives to the proposed regulations and summarized the findings of this analysis in Chapter IX of the ISOR, and the rationale behind rejecting them in favor for the proposed amendments. The following is a brief summary of the alternatives proposed and the rationale for rejecting them:

1. Borrowed Credits from Regulated Entities Other than EDUs: Several stakeholders proposed to allow other regulated entities to generate borrowed credits. Staff rejected the alternative due to difficulty in implementation and risks affiliated with recouping such credits.
2. No Maximum Price Cap for Regular LCFS Credit Transactions: Several Stakeholders proposed to remove the requirement to limit all credit transactions in the LCFS below the maximum price cap of \$200 in 2016, adjusted for inflation. Staff rejects this alternative as it will not ensure the kind of cost containment that a “price cap” on LCFS credit transactions would otherwise achieve.
3. Vintage Years for LCFS Credits: A stakeholder proposed an alternative where LCFS credits are assigned a vintage year. Staff does not consider that this alternative will improve the cost containment provision of the LCFS. Introducing

vintage years will reduce the flexibility of compliance responses by regulated entities.

4. Issue an Unlimited number of Borrowed Credits: Several stakeholders proposed to alter the proposed amendment so that the number of borrowed credits is unlimited. Staff rejected this proposal as it may result in fewer reductions in GHG emissions attributable to the LCFS, and thus the alternative is not consistent with staff's stated principles for this rulemaking and with the State's Scoping Plan objectives.
5. Implementing a Price Floor: A stakeholder proposed an alternative with a price floor. Staff rejected the proposal as it is outside the scope of this rulemaking.
6. Adjust CI Targets Downwards in Case of Shortage: A stakeholder proposal potentially decreasing the stringency of the LCFS targets in the event that a credit shortfall occurs. The alternative was rejected because it compromises the environmental integrity of the program, may further destabilize the LCFS credit market by creating additional uncertainty, and fails to support future investments in low-carbon fuels.

ENVIRONMENTAL ANALYSIS

When the Proposed Amendments to the Low Carbon Fuel Standard and Alternative Diesel Fuels Regulation was proposed in 2018, CARB prepared an environmental analysis (EA) under its certified regulatory program (California Code of Regulations, title 17, sections 60000 through 60008) to comply with the requirements of the California Environmental Quality Act (CEQA; Public Resources Code section 21080.5). The EA, included in Appendix D of the ISOR entitled Appendix D: Final Environmental Analysis Prepared for the Proposed Amendments to the Low Carbon Fuel Standard and the Alternative Diesel Fuels Regulations, dated 2018, determined the LCFS could result in adverse impacts to less-than-significant impacts to odors, short-term, construction-related energy demand, GHG emissions, long-term hazard and hazardous materials, population, employment and housing, public services, and recreation; and potentially significant and unavoidable adverse impacts to aesthetics, agricultural resources, air quality, biological resources, cultural resources, energy demand, geology, soil and minerals, short-term, construction-related hazard and hazardous materials, hydrology and water quality, land use and planning, mineral resources, noise, transportation and traffic, and utility and service systems. Staff has determined that no additional environmental review is required for the current proposed amendments because there are no changes proposed to the originally approved project that involve new significant environmental effects or a substantial increase in severity of previously identified significant effects than previously identified in the prior 2018 EA. The basis for reaching this conclusion is provided in Chapter VI of the ISOR report.

SPECIAL ACCOMMODATION REQUEST

Consistent with California Government Code Section 7296.2, special accommodation or language needs may be provided for any of the following:

- An interpreter to be available at the hearing;
- Documents made available in an alternate format or another language; and
- A disability-related reasonable accommodation.

To request these special accommodations or language needs, please contact the Clerk of the Board at (916) 322-5594 or by facsimile at (916) 322-3928 as soon as possible, but no later than 10 business days before the scheduled Board hearing. TTY/TDD/Speech to Speech users may dial 711 for the California Relay Service.

Consecuente con la sección 7296.2 del Código de Gobierno de California, una acomodación especial o necesidades lingüísticas pueden ser suministradas para cualquiera de los siguientes:

- Un intérprete que esté disponible en la audiencia;
- Documentos disponibles en un formato alterno u otro idioma; y
- Una acomodación razonable relacionados con una incapacidad.

Para solicitar estas comodidades especiales o necesidades de otro idioma, por favor llame a la oficina del Consejo al (916) 322-5594 o envíe un fax a (916) 322-3928 lo más pronto posible, pero no menos de 10 días de trabajo antes del día programado para la audiencia del Consejo. TTY/TDD/Personas que necesiten este servicio pueden marcar el 711 para el Servicio de Retransmisión de Mensajes de California.

AGENCY CONTACT PERSONS

Inquiries concerning the substance of the proposed regulatory action may be directed to the agency representative Jim Duffy, Branch Chief, Transportation Fuels Branch at (916) 323-0015 or (designated back-up contact) Firas Abu-Sneneh, Air Pollution Specialist, Alternative Fuels Section at (916) 323-1009.

AVAILABILITY OF DOCUMENTS

CARB staff has prepared a Staff Report: Initial Statement of Reasons for the proposed regulatory action, which includes a summary of the economic and environmental impacts of the proposal. The report is entitled Staff Report: Initial Statements of Reason for the Proposed Amendments to the LCFS Regulation.

Copies of the ISOR and the full text of the proposed regulatory language, in underline and strikeout format to allow for comparison with the existing regulations, may be accessed on CARB's website listed below or may be obtained from the Public Information Office, California Air Resources Board, 1001 I Street, Visitors and Environmental Services Center, First Floor, Sacramento, California, 95814, on October 1, 2019.

Further, the agency representative to whom nonsubstantive inquiries concerning the proposed administrative action may be directed is Chris Hopkins, Regulations

Coordinator, (916) 445-9564. The Board staff has compiled a record for this rulemaking action, which includes all the information upon which the proposal is based. This material is available for inspection upon request to the contact persons.

HEARING PROCEDURES

The public hearing will be conducted in accordance with the California Administrative Procedure Act, Government Code, title 2, division 3, part 1, chapter 3.5 (commencing with section 11340).

Following the public hearing, the Board may take action to approve for adoption the regulatory language as originally proposed, or with non-substantial or grammatical modifications. The Board may also approve for adoption the proposed regulatory language with other modifications if the text as modified is sufficiently related to the originally proposed text that the public was adequately placed on notice and that the regulatory language as modified could result from the proposed regulatory action. If this occurs, the full regulatory text, with the modifications clearly indicated, will be made available to the public, for written comment, at least 15-days before final adoption.

The public may request a copy of the modified regulatory text from CARB's Public Information Office, California Air Resources Board, 1001 I Street, Visitors and Environmental Services Center, First Floor, Sacramento, California, 95814.

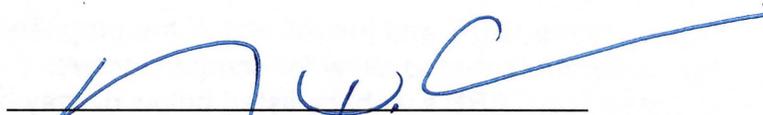
FINAL STATEMENT OF REASONS AVAILABILITY

Upon its completion, the Final Statement of Reasons (FSOR) will be available and copies may be requested from the agency contact persons in this notice, or may be accessed on CARB's website listed below.

INTERNET ACCESS

This notice, the ISOR and all subsequent regulatory documents, including the FSOR, when completed, are available on CARB's website for this rulemaking at <https://ww2.arb.ca.gov/rulemaking/2019/lcfs2019>.

CALIFORNIA AIR RESOURCES BOARD



Richard W. Corey
Executive Officer

Date: September 17, 2019

The energy challenge facing California is real. Every Californian needs to take immediate action to reduce energy consumption. For a list of simple ways you can reduce demand and cut your energy costs, see our website at www.arb.ca.gov.