November 6, 2013

Sent via Email to: Chad_S_Whiteman@omb.eop.gov

Mr. Chad S. Whiteman
Office of Management and Budget
725 17th Street, NW
Washington DC 20503

RE: 2014 Standards for Renewable Fuel Standard Program (RFS2)

Dear Mr. Whiteman:

The Coalition for Renewable Natural Gas is a 501c6 non-profit organization dedicated to the advancement of biomethane (also referred to as biogas, renewable natural gas or "RNG"). Many of our member companies develop, own, and operate the nation's renewable natural gas projects – at landfills, wastewater treatment plants, etc. - for end uses that include renewable electric power generation, thermal heat application, and transportation fuel.

Due in large part to the Renewable Fuel Standard and various states' low carbon fuel standards (LCFS), or program equivalents, a number of our member companies have elected to designate the renewable natural gas they produce for use as transportation fuel. Increasingly, the public and private sectors are embracing Compressed Natural Gas (CNG) and Liquefied Natural Gas (LNG) for purposes of fueling their vehicle fleets. Renewable Natural Gas (RNG) provides end-users with a seamless opportunity to transition from fossil natural gas, CNG or LNG to RNG, and realize the increased environmental benefits of RNG while utilizing the existing fossil natural gas pipeline systems and fueling infrastructure. RNG can reduce the carbon footprint of diesel by at least 88 percent compared to the 20-25 percent CO2 emissions reduction that can be realized from fossil natural gas. According to the lifecycle analysis performed by the California Air Resources Board and Argonne National Laboratory, biomethane is the lowest of all low-carbon fuels currently available for transportation fuel.

In 2013, the U.S. EPA released RFS2 volume levels for Renewable Fuel of 16.55 billion gallons, 2.75 billion gallons for Advanced Biofuel, and 6 million gallons for Cellulosic Biofuel.

Historically, landfill gas (biogas, biomethane or RNG) dedicated to transportation fuel has qualified in the Advanced Biofuel category. Technical amendments under consideration at EPA would put, among other sources, biogas from the feedstock of landfill gas in the Cellulosic Biofuel category when dedicated to transportation fuel end use as Renewable-CNG and Renewable-LNG. If this change is adopted, it will significantly impact Cellulosic Biofuel volumes in 2014. Coalition Members conservatively estimate they will produce and distribute 114 – 141 million Ethanol equivalent gallons of landfill gas derived renewable transportation fuel in 2014.

We have previously submitted comments on EPA's proposed technical amendments encouraging adoption of a 100% allowance of the volume of renewable fuel produced from certain specified, currently approved cellulosic feed stocks to generate D-3 or D-7 cellulosic RINs. We continue to encourage EPA to make this adoption.

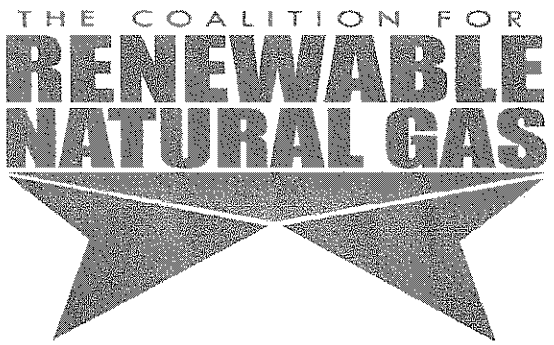
The Coalition for Renewable Natural Gas requests that OMB adopt Cellulosic Biofuel RFS2 volumes in excess of 114 million Ethanol equivalent gallons in 2014. We recognize that a higher threshold may be warranted as EPA aggregates data from the various approved cellulosic biofuel sources and have no objection to a higher volume level. Since our members have already prepared conservative plans that will easily meet and certainly exceed 114 million gallons, any approved volume lower than this level would be unwarranted and inaccurately reflect future available volume estimates. It would also depress the value of RINs and deprive a class of Renewable Fuel Producers of a market which is correctly influenced by accurate volume estimates. The recent court decision required EPA to use actual production and clearly the biomethane which is scheduled to be used in transportation in 2014 presents precisely the kind of "actual" production the Court mandated be relied upon in setting volumes. The timing of the revised Rule should not result in an inaccurate setting of this key market ingredient. This is why prompt issuance is vital.

Thank you in advance for your thoughtful consideration of this information on behalf of the renewable natural gas industry, and especially for taking it into account as OMB and EPA adopt 2014 RFS2 volume targets.

Sincerely,

David Cox

David A. Cox
Director of Operations
Coalition For Renewable Natural Gas



Renewable Natural Gas (RNG, biomethane, biogas) is a clean, ultra-low-carbon, renewable energy resource. It is distinguished from fossil natural gas by its source. Biogas naturally emits from decomposing organic matter and can be collected at landfills, wastewater treatment plants and agricultural or dairy digesters. When biogas is conditioned to "pipeline quality," it is called biomethane. Biomethane may blend with, or substitute for, fossil natural gas. RNG is currently produced throughout the United States and is used to generate renewable electricity, heat and transportation fuel.

The Coalition for Renewable Natural Gas is a 501(c)6 nonprofit organization dedicated to the advancement and increased use of RNG. The Coalition's diverse membership and partner organizations include renewable energy developers, engineers, financiers, gas marketers, gas transporters, environmental advocates, research organizations, organized labor, law firms, utilities and rate-paying consumers.

The Renewable Fuel Standard (RFS2) and Renewable Natural Gas (RNG)

Natural Gas may be utilized as a transportation fuel in heavy, medium and light-duty natural gas vehicles in the form of compressed natural gas (CNG) and liquefied natural gas (LNG). By substituting biomethane for fossil natural gas, Coalition Members are creating renewable versions of CNG and LNG with extraordinary lifecycle carbon emission reductions.

In a 2011 study of RNG production pathways, Argonne National Laboratory concluded that all RNG pathways show significantly less GHG emissions and fossil fuel consumption than conventional fossil fuel natural gas and gasoline.[1] According to the California Air Resources Board, Renewable Natural Gas presents nearly 90% lifecycle carbon reduction, as compared to gasoline and diesel.[2]

RNG vehicle fuel is the only alternative fuel that is available today in commercial quantities, can meet 100% of the vehicle fueling requirements of an 18-wheeler, produce a 90% reduction in GHG emissions and be profitably sold at substantial discounts to petroleum fuel products. It is an incredibly important tool in our collective efforts to reduce our dependence on foreign oil and reduce the environmental harm caused by our transportation fuel use. Most important, RNG vehicle is being successfully produced in commercial quantities *today* - and has enormous opportunity for production growth.

---

[1] "Waste to Wheel Analysis of Anaerobic Digestion Based Renewable Natural Gas Pathways with GREET Model," Argonne National Laboratory, Energy Systems Division. http://www.ipd.anl.gov/anlpubs/2011/12/71742.pdf.

[2] California Air Resources Board: Low Carbon Fuel Standard Report 2009, see IV-15, ES-50 & ES-51. http://www.arb.ca.gov/fuels/lcfs/030409lcfs_isor_vol1.pdf

The stability of the renewable fuel standard (RFS2) is critical to the short term viability of RNG as a transportation fuel. Many significant investments in project development and fueling infrastructure by Coalition members have been made directly as a result of the RIN market created by RFS2. Coalition member Clean Energy Renewable Fuels, a subsidiary of Clean Energy Fuels Corp. (NASDAQ: CLNE), recently announced that the company anticipates selling 15 million gasoline gallons of Redeem (Clean Energy's branded RNG vehicle fuel) in California during 2013. ***This is almost four times the amount of cellulosic biofuel that the EPA estimated would be produced for the entire U.S. market during 2013.***[3]

Efforts to curb the volumetric requirements for Advanced Biofuels or Cellulosic categories under the RFS2 will severely disrupt ongoing investment and expansion of RNG vehicle fuel use by U.S. fleets. Continuing efforts to repeal or eviscerate the RFS, and the "leaked" proposal by the EPA that suggests that the EPA may massively reduce the renewable fuel volume obligations for 2014, must be resisted. These efforts to repeal or weaken the RFS threaten to derail promising, and just emerging, viable alternative fuel solutions like Redeem. We urge you to stand up for the RFS2 and the hundreds of thousands of Americans that are hard at work producing domestic, cost-effective and low carbon fuels.

Bringing stability to RFS2 and the RIN market will spur considerable development of our nation's renewable natural gas resources. According to the U.S. EPA, there are 450 candidate landfills that are candidates for RNG projects.[4] According to the USDA, there are currently 58,000 milk cow operations in the U.S,[5] but U.S. EPA's AgStar program reports only 167 anaerobic digester dairy projects operating as of May 2013.[6] These sites all represent hugely important energy resources that can, and will be, developed as renewable fuel resources that can fuel America's fleets.

Clean Energy Renewable Fuels estimates that it will sell over 30 million gasoline gallons of Redeem in 2014 - again substantially more than the EPA is apparently contemplating for the entire cellulosic biofuel category for 2014. Clean Energy intends to sell as many as 150 million gasoline gallons of Redeem a year in coming years. We strongly believe that any attempt at a Congressional overhaul of the bill could prove disastrous to our ability to meet these goals. Long-term investments have been made based on the law as it stands today. Regulatory consistency is a precondition to the success of these investments. The RFS2 must not be repealed or eviscerated. Moreover, the EPA needs to hold the line on the 2014 renewable volume obligations to ensure the stability of the RIN market.

For more information contact

Harrison Clay
President, Clean Energy Renewable Fuels
& Board Member, Coalition for Renewable Natural Gas
hclay@cleanenergyfuels.com

[3] The EPA has issued a Notice of Proposed Rulemaking that would classify landfill gas vehicle fuel as a Cellulosic Biofuel under the RFS2.

[4] Id.

[5] "Farms, Land in Farms and Livestock Operations 2012 Summary," U.S. Department of Agriculture, February 2013, at 5. http://usda01.library.cornell.edu/usda/current/FarmLandIn/FarmLandIn-02-19-2013.pdf

[6] AgStar Projects Database, U.S. Environmental Protection Agency. http://www.epa.gov/agstar/projects/index.html