

Certification Evaluation Report

Roundtable on Sustainable Biomaterials

AltAir Paramount, LLC

SCS Certificate Code-SCS-RSB/PC/0029

14700 Downey Avenue, Paramount, CA 90723 USA

Gary Grimes

www.worldenergy.net

CERTIFIED	EXPIRATION
14 December 2017	13 December 2022

DATE(S) OF AUDIT
9-14 January 2019
DATE OF LAST UPDATE
22 May 2019

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FOREWORD

SCS Global Services (SCS) is a certification body accredited by the Roundtable on Sustainable Biomaterials (RSB) to conduct evaluations of biofuel operators. Under the RSB/SCS certification system, participating operators meeting international standards of biofuel production can be certified as “sustainable,” thereby permitting the Operator’s use of the RSB endorsement and logo in the marketplace subject to regular RSB/SCS oversight.

SCS deploys interdisciplinary teams of natural resource specialists and other experts all over the world to conduct evaluations of biofuel operations. SCS evaluation teams collect and analyze written materials, conduct interviews with Participating Operator’s staff and key stakeholders, and complete field and office audits of the operation(s) identified in the certification scope. Upon completion of the fact-finding phase of all evaluations, SCS teams determine compliance to the RSB Principles and Criteria.

Please Note: An RSB certificate itself does not constitute evidence that a particular product supplied by the certificate holder is certified to RSB standards. Products offered, shipped or sold by the certificate holder can only be considered covered by the scope of this certificate when the required RSB claim is clearly stated on-product. For more information about the RSB, visit their website at www.rsb.org.

Organization of the Report

This report of the results of our evaluation is divided into two sections. Section A provides the public summary and background information that is required by the Roundtable on Sustainable Biomaterials. This section is made available to the general public and is intended to provide an overview of the evaluation process, the management programs, and policies applied to the Participating Operator, and the results of the evaluation. Section A will be posted on the RSB Participating Operators Database (<http://rsb.org/certification/participating-operators/>). Section B contains more detailed results and information for use by the Participating Operator.

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SECTION A – PUBLIC SUMMARY

1.0 GENERAL INFORMATION

1.1 Operator Information

1.1.1 Name and Contact Information

Organization name	AltAir Paramount, LLC		
Operator Number	1495		
Contact person	Gary Grimes		
Address	14700 Downey Avenue Paramount CA 90723 USA	Telephone	(562)531-2060
		Fax	(562)633-8211
		e-mail	ggrimes@worldenergy.net
		Website	www.worldenergy.net

1.2 Scope of Certificate

Please select one:	<input type="checkbox"/> RSB EU RED	<input checked="" type="checkbox"/> RSB Global
Please select boxes that apply:	<input type="checkbox"/> Pre-assessment <input type="checkbox"/> Initial Assessment <input type="checkbox"/> Re-certification <input type="checkbox"/> Follow-Up to NCs	<input checked="" type="checkbox"/> 1st Annual Surveillance <input type="checkbox"/> 2nd Annual Surveillance <input type="checkbox"/> 3rd Annual Surveillance <input type="checkbox"/> 4th Annual Surveillance
Scope (as should appear/appears) on certificate:	-Production of Renewable Diesel, Renewable Jetfuel, and Renewable Naphtha from Tallow -Collection of Tallow	
The scope assessment agrees with the scope under which the operator applied	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No
If no, please explain:		
<p><i>Note 1: If the scope is different, please contact SCS.</i></p> <p><i>Note 2: Where the client uses external organizations (public or private) to provide utilities services, such as electricity, waste disposal, water, the auditor shall check that these organizations are run according to local requirements (i.e. the law) but these organizations will not be considered in scope of the audit. Therefore no on-site visits to these utility services are required.</i></p>		
Total workers covered by scope of certification:	65	
Number of women workers	14	

INDUSTRIAL FACILITIES	
Name	AltAir Fuels LLC
Type	<input type="checkbox"/> Agriculture Milling and/or Fermentation <input type="checkbox"/> Vegetable oil Extraction <input checked="" type="checkbox"/> Biofuel Production and/or Distribution <input type="checkbox"/> Other, please explain here:
Location/City	Paramount, CA
Geographic location (<i>Latitude & Longitude</i>)	33.898861, -118.151222
Start date of operations (initial start date)	2008
Number of processing steps	6
Annual throughput of previous 12 months (Can be moved to appendix if certain information is confidential)	
Feedstock Input (Metric Ton)	Confidential – see appendix
Final/Primary Product Output (Metric Ton)	Confidential – see appendix
Intermediate/by-product Output (Metric Ton)	Confidential – see appendix
% output yield compared to input material (total output/total input)	Confidential – see appendix
Amount sold as RSB certified (tons)	Confidential – see appendix

1.3 GHG Intensity

For Biofuels Producers: Please state the GHG emissions occurring at the operator's sites in g CO ₂ eq/dry-ton for raw materials and intermediary products and g CO ₂ eq/MJ for final biofuels (annualized, after allocation) and if applicable, achieved emission savings, and if applicable, explanation for deviation from typical GHG values			
Raw Material:	Tallow	GHG:	17.9 g Co ₂ eq/ dry ton raw material
Final Biofuel:	Renewable Diesel, Renewable Jet Fuel, Renewable Naptha	GHG:	32.7 g Co ₂ eq/ MJ

1.3 Standards Used

Title	Version
RSB Principles & Criteria (RSB-STD-01-001)	3.0
RSB Chain of Custody (RSB-STD-30-001)	3.1
RSB Standard for Participating Operators (RSB-STD-30-001)	3.1
RSB Risk Management (RSB-STD-60-001)	3.1
RSB GHG Calculation Methodology (SRB-STD-01-003-01)	2.3
RSB Procedure on Communications and Claims (RSB-PRO-50-001)	3.2

RSB Standard for Advanced Fuels (Wastes and Residues) (RSB-STD-01-010)	2.0
All standards employed are available on the websites of the Roundtable on Sustainable Biomaterials (http://rsb.org/sustainability/rsb-sustainability-standards/). Standards are also available, upon request, from SCS Global Services (http://www.scsglobalservices.com/).	

2.0 EVALUATION PLANNING & PROCESS

2.1 Documentation Submitted by Operator

RSB Environmental and Social Management Plan (ESMP) January 3, 2019	Rule 1173 Quarterly Report – 2 nd Quarter 2018
2018 AltAir Quarterly Production Summary and Material Balance	Rule 1173 Quarterly Report – 3 rd Quarter 2018
2019 Altair Yields	Altair Fluid YTD 2018 Final
2019 Org Chart	2017 Biennial Waste Report
AltAir Feedstock Receipts 2018-b	Title V Semi-Annual Monitoring Report PPA SAM 2018 JAN-JUN
AltAir RED Jet_2019 v1 BioGrace	CA State Addendum to Employee Handbook
Harassment Prevention Policy	WE Employee Handbook – July 2018
Product Transfer Document Work Flow	Workflow – RINS process

2.2 Audit Type and Determination

The following table summarizes the audit types for RSB Audits:

	Low risk class	Medium risk class	High risk class
Certificate validity	5 years	3 years	2 year
Main audit	Every 5 years	Every 3 years	Every 2 year
Surveillance audit	Annual	Annual	Annual

2.3 Audit Team

2.3.1 Determination of Audit Team

- Desk audits shall always be conducted by at minimum one (1) international lead auditor. The lead auditor appointed may include additional auditors and/or technical experts in the audit team if this is required by the extent of the audit.
- Field audits shall always be led by one (1) international lead auditor.
- The lead auditor appointed shall include at minimum one (1) local auditor in the audit team. The lead auditor appointed may include additional auditors and/or technical experts in the audit team if this is required by the extent of the audit.

- For field audits of participating operators in High Risk class shall always the lead auditor appointed shall appoint at minimum
 - one (1) local auditor and
 - one (1) technical expert on social issues to evaluate compliance with social requirements and the risk of non-compliance due to social issues and
 - one (1) technical expert on environmental issues to evaluate compliance with environmental requirements and the risk of non-compliance due to environmental issues.
 - The lead auditor appointed may include additional auditors and/or technical experts in the audit team if this is required by the extent of the audit.

2.3.2 Audit Team

Auditor Name:	Robert Earley	Auditor role:	Lead Auditor
<p>Qualifications: Robert is an auditor of RSB and ISCC certifications and has been trained in ISO 9001:2015 auditing. Additionally, he is currently an expert consultant on UN, EU, charitable foundation and NGO projects focused on sustainable transportation and air pollution. Prior to becoming a consultant, Robert was the Transport Program Manager of Manila-based Clean Air Asia, promoting clean and efficient freight and logistics across Asia, and before that was the Director of the Clean Transportation Program at the Innovation Center for Energy and Transportation (iCET), which developed standards for lifecycle GHG emissions assessment for biofuels in China, and which became the first member of the RSB in China. He is currently on the board of the Beijing Energy Network as well as the China Carbon Forum. Mr. Earley, who has lived in China since 2005 and is fluent in Mandarin Chinese, studied environmental science at the University of Calgary and Urban and Regional Planning at the University of Waterloo in Canada. His coursework at the University of Calgary included impacts of agriculture and conservation in agricultural areas in southern Alberta.</p>			
Auditor Name:	Gerard Mansell	Auditor role:	GHG Verifier
<p>Qualifications: Gerard Mansell, Ph.D., Life Cycle Assessment Practitioner, SCS Global Services Dr. Mansell’s activities include estimating and verifying GHG emissions and carbon footprints for various products and manufacturing processes including bio-plastics and bio-fuels in accordance with applicable Product Category Rules (PCRs) and standards (ISO 14065, ISO 14044, ISO 14044, ISO 21930, WRI’s GHG Protocol, ISCC 205). He has also contributed to the development, implementation and estimation of cellulosic ethanol fuel production pathways and GHG emissions in GREET. In addition, he has over 25 years’ experience developing, evaluating, and applying emissions, meteorological, and advanced photochemical air quality models employing various mathematical modeling techniques and numerical analysis methods.</p>			
Auditor Name:	Bob Armantrout	Auditor role:	Trainee
<p>Bob Armantrout is the Technical Specialist in the Biofuels Program at SCS Global Services. He is a seasoned professional with 30 years’ experience in Operations Management, Material Management, and Customer Service, and 10 years in the biodiesel industry. He has an undergraduate degree in Environmental Science, and an MBA. He is a certified Lead Auditor ISCC, and has hands on experience in ISO 9001 implementation.</p>			

2.4 Evaluation Schedule and Extent of Audit

2.4.1 Determination of Extent of Audit

Total number of subsidiaries, branch offices, affiliated entities, external third parties contracted or otherwise engaged, operational structures, sites, facilities, processing and production units, and supply chain structures	AltAir Fuels is fully owned by World Energy, which purchased AltAir in 2018. The company operates at the Paramount Petroleum site in Paramount, Ca. AltAir Fuels leases a storage tank from the Kinder Morgan Carson Terminal located at 2000 East Sepulveda Blvd. Carson, CA 90810.
Participating Operator Risk Class	Low
Disputes or prior Non-compliances	None
Changes in scope since last evaluation	None
Total number of compliance claims	None

2.4.2 Evaluation Itinerary and Activities

Date: 9 January 2019	
Operation(s)/ sites visited	Activities/ notes
AltAir Fuels – telephone audit	Opening meeting
	Document Review – Principles and Criteria
	Document Review – Participating Operator Requirements
Date: 10 January 2019	
Operation(s)/ sites visited	Activities/ notes
AltAir Fuels – telephone audit	Audit paused due to emergency plant shutdown
Date: 11 January 2019	
Operation(s)/ sites visited	Activities/ notes
Altair Fuels – telephone audit	Document review – GHG emissions
	Document review – Information on Points of Origin
	Document Review – Risk management
	Document Review – Human Resources
	Document Review – Chain of Custody
Date: 14 January 2019	
Operation(s)/ sites visited	Activities/ notes
Altair Fuels – telephone audit	Final document update
	Closing meeting

2.4.3 Methodology and Strategies Employed

SCS deploys interdisciplinary teams with expertise in agriculture, ecology, forestry, social sciences, natural resource economics, and other relevant fields to assess an Operator’s compliance to RSB standards and policies. Evaluation methods include document and record review, implementing sampling strategies to visit a broad number of site and facility types, observation of implementation of management plans and policies, and stakeholder analysis. When there is more than one team member, team members may review parts of the standards based on their background and expertise. On the final day of an evaluation, team members convene to deliberate the findings of the assessment jointly. This involves an analysis of all relevant site observations, stakeholder comments, and reviewed documents and records. Where consensus between team members cannot be achieved due to lack of evidence, conflicting evidence or differences of interpretation of the standards, the team is instructed to report these in the certification decision section.

2.4.4 Capacity of the participating operator to implement its management systems

AltAir Fuels operated in a heavily regulated industry and implemented management controls in response to regulatory requirements derived from both U.S. federal and California state legislation. Process safety and environmental management regulations provided the framework necessary for implementing risk management. Managers and experts with substantial technical and management knowledge and experience were utilized in the implementation of all aspects of the management system.

2.4.5 Evaluation of RSB compliance claims and use of RSB trademarks

The RSB short claim, as defined in RSB-PRO-50-001	Product mix contains RSB compliant material.
Any other claims used as per RSB-PRO-50-001	None
Does Operator use RSB trademarks on off-product or on-product claims?	AltAir Fuels did not make on-product claims or use RSB trademarks

3.0 RISK ASSESSMENT RESULTS

Based on the most recent self-risk assessment (no older than 3 months from the audit date) the PO’s risk assessment results are:	Corresponding risk class (low, medium, high):
3	Low

4.0 RESULTS OF THE EVALUATION

4.1 Process of Determining Compliance

4.1.1 Structure of Standard and Degrees of Non-Compliance

RSB-accredited biofuel standards consist of a three-level hierarchy: the principle, the criteria that correspond to that principle, and then the performance indicators that elaborate upon each criterion. Consistent with SCS Sustainable Biofuels Program evaluation protocols, the team collectively determines whether or not the subject operation is in compliance with every applicable indicator of the relevant sustainable biofuel standard. Each non-compliance must be evaluated to determine whether it constitutes a major or minor non-compliance at the level of the associated criterion or sub-criterion. Not all indicators are equally important, and there is no simple numerical formula to determine whether an operation is in non-compliance. The team therefore must use their collective judgment to assess each criterion and determine if the Operator is in compliance. If the Operator is determined to be in non-compliance at the criterion level, then at least one of the applicable indicators must be in major non-compliance.

4.1.2 Interpretations of Major and Minor Non-compliances

Major Non-compliances, either alone or in combination with non-compliances of other applicable indicators, result (or are likely to result) in a fundamental failure to achieve the objectives of the relevant RSB Criterion. These non-compliances must be resolved or closed out before a certificate can be awarded. If Major NCs arise after an operation is certified, the timeframe for correcting these non-compliances is typically no more than three months. Certification is contingent on the operator’s response to the NCs within the stipulated time frame.

Minor Non-compliances are typically limited in scale or can be characterized as an unusual lapse in the system. Most minor NCs are the result of a non-conformance at the indicator-level. Non-compliances must be closed out within a specified time period of award of the certificate.

4.1.3 Major Non-compliances

<input type="checkbox"/>	No major NCs were issued to the Operator during the evaluation. Any minor CARs from previous surveillance audits have been reviewed and closed prior to the issuance of a certificate.
<input checked="" type="checkbox"/>	Major NCs were issued to the Operator during the evaluation, which have all been closed to the satisfaction of the audit team and meet the requirements of the standards. Any minor CARs from previous surveillance audits have been reviewed and closed prior to the issuance of a certificate.
<input type="checkbox"/>	Major NCs were issued to the Operator during the evaluation and the Operator has not yet satisfactorily closed all major NCs.

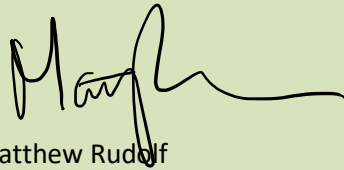
4.1.4 Non-compliances and Current Status

Summary of Non-compliances and Current Status				
Non-compliance Number	Type of Non-compliance	Relevant RSB Standard & Indicator No.	Summary of Finding and Evidence Collected	Status of Non-compliance (Open/Closed)
2019-1	Minor	Principles and Criteria 2.d.1	Planning documents and budget were not made available for the current year during the audit. While the PO has resources in place, RSB compliance is not listed as a specified requirement in most people's jobs.	Open Due by 20 Jan 2020
2019-2	OFl	Principles and Criteria 9.b.1	The PO has a number of water management programs in place according to regulations. Reporting on these can be consolidated into a single report to ensure easy reporting and coverage.	Open
2019-3	Minor	Principles and Criteria 9.b.5	The PO monitors water consumption through its municipal water bills. The most recent quarter's bill was not available during the time of the audit as it had not yet been issued.	Open Due by 20 Jan 2020
2019-4	Minor	PO Checklist 1.2 A list of governing bodies with a description of their role and responsibilities shall be available	A list of governing bodies was not presented at the time of the audit.	Open Due by 20 Jan 2020
2019-5	Major	PO Checklist 1.7. Contracts with all elements of the certification scope are in place, including their commitment to comply with RSB Standard and procedures, and to provide unrestricted access to any elements of the certification scope.	The labour contract with TWI was not made available during the time of the audit. Update: The contract with TWI has been provided. Section E(iii) notes that contractor will perform work in accordance with HSE standards. Contract notes that AltAir may monitor Contractor work at any time.	Closed
2019-6	Major	PO Checklist 1.9 The PO carried out a self-evaluation against the RSB standards and procedures	No self-evaluation was conducted during the previous period. Update: A self-evaluation has been undertaken against the RSB standard with issues identified,	Closed

2019-7	Major	PO Checklist 2.1 The PO has a system in place to establish and maintain necessary knowledge, competencies, skills and systems for complying with RSB standards and procedures	The ESMP indicates that employees receive annual training in RSB concepts, but records are only available for 2017. Update: New employees received RSB training as part of on-boarding training - Completed. All employees will receive refresher training on RSB via CBT during next three months to be consistent with the ESMP, which was modified to say "Training is provided as part of the onboarding process for any new employees, with minimum bi-annual refreshers for all employees.	Closed
2019-8	Major	PO Checklist 2.1.2 Employees are appropriately trained and have the necessary competence, knowledge and experience to put RSB compliant systems in place, especially those working on the chain of custody system and the risk management system	The manager in charge of Chain of Custody at the facility, produces yield reports and generates bills of lading and other documentation, but has not been trained in RSB requirements. Update: e-mail from AltAir serves as a record of training completion. Auditor interviewed the manager and confirmed that training was successful and the manager now has the knowledge to successfully administer RSB systems.	Closed
2019-9	Major	PO Checklist 5.4 Contractual agreements are available for all purchases and sales of certified material	The contract with a trader for purchase of tallow and sales of renewable fuel was not available during the time of the audit. Update: The contract was provided.	Closed
2019-10	OFI	PO Checklist 6.2.2 For Industrial units, list of all recipients of sustainable biofuel	As no RSB claims have been made, there is no list of recipients of sustainable biofuel. However, as an opportunity for improvement, these could be compiled into a list.	Open
2019-11	Major	PO Checklist 6.3.2 For outgoing material, country of origin, RSB certificate number, short claim and GHG intensity should be available.	In the case that RSB certified material is requested, a template document should be available so that proper chain of custody monitoring and documentation can be undertaken. At this time, no materials labeled as certified have been shipped.	Closed

			Update: The template has been updated to include all required information in 6.3.2 and 6.3.4	
2019-12	Minor	PO Checklist 8.3.2 The operator records RSB certified material, RSB EU RED certified material, EU certified material and not certified material separately	The Operator does not track RSB material separately from non-RSB material. There are several points of origin in scope and only material received from these entities can be counted towards RSB if a claim was to be made. Additionally, a yield percentage is not applied procedurally to indicate how much of the total output can be considered RSB certified. Mass balances showing quarterly reconciliations and a written procedure to account for the differences in sustainable vs. non-sustainable material must be created.	Open Due by 20 Jan 2020

5.0 CERTIFICATION DECISION

Certification Recommendation		
For Surveillance Audits: Operator is to continue as an RSB certified Participating Operator subject to the minor non-compliances stated in Section 4.2.5.	Yes <input checked="" type="checkbox"/> No <input type="checkbox"/>	
The SCS evaluation team makes the above recommendation for certification based on the full and proper execution of the SCS Responsible Biofuels Program evaluation protocols. If certification is recommended, the Operator has satisfactorily demonstrated the following without exception:		
Operator has addressed any Major NC(s) assigned during the evaluation.	Yes <input checked="" type="checkbox"/> No <input type="checkbox"/> No Major NCs issued <input type="checkbox"/>	
Operator has demonstrated that their system of management is capable of ensuring that all of the requirements of the applicable standards are met over the sites and facilities covered by the scope of the evaluation.	Yes <input checked="" type="checkbox"/> No <input type="checkbox"/>	
Operator has demonstrated that the described system of management is being implemented consistently over the sites and facilities covered by the scope of the certificate.	Yes <input checked="" type="checkbox"/> No <input type="checkbox"/>	
Comments and/or details of any issue which was difficult and/or impossible to evaluate:		
To be completed by Certification Decision-Making Entity	Technical Review by: If different to decision-maker	Inna Kitaychik
	Certification decision:	Continued Certification against RSB Global Standards
	Certification decision by:	 Matthew Rudolf
	Date of decision: For initial or continued certification	June 4, 2019
	Surveillance schedule:	2 nd surveillance audit to take place by January 9, 2020 Notes:

Sub Certificate Codes (if applicable)

Legal Entity/Operational Site	Sub-Certificate Code
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