



Finding a better way

December 27, 2021

California Air Resource Board
Low Carbon Fuel Standard
1001 I Street
Sacramento, CA 95814

Re: Tier 2 Pathway Application Nos. B0207; Response to Food & Water Watch

Dear Chairperson Randolph:

US Venture, Inc. and Dane Renewable Energy, LLC (“Pathway Co-Applicants”) are responding within the scope of the Low Carbon Fuel Standard (“LCFS”) program §95488.7(d)(5)(A) to the commenters, Association of Irrigated Residents, Leadership Counsel for Justice & Accountability, Animal Legal Defense Fund, Food & Water Watch, and Public Justice (collectively “Commenters”), in a letter regarding the Tier 2 Pathway Application (B0207) submitted December 20, 2021.

The Pathway Co-Applicants will address the Commenters’ letter, identified by sections in **bold**, and respond to all comments raised by the Commenters. We believe that no revisions to our pending application are needed following sufficient review and approval of our response by California Air Resource Board (“CARB”).

Were CARB to certify this pathway, it would be knowingly violating the LCFS regulation and corrupting the integrity of the LCFS program by failing to apply a “well-to-wheels” life cycle analysis.

Certification of this pathway would not violate the LCFS regulation or corrupt the integrity of the LCFS program in our view. The projects within this application have had a life cycle analysis prepared according to the guidance laid out in the 2014 California Livestock Projects Compliance Offset Protocol. Each project establishes a baseline that considers the applicable dairy operation and quantifies the additive emissions from the capture and purification of methane for beneficial use. The baseline assumes that without the use of an anaerobic digester, the projects would deposit dairy manure into lagoons as is common practice amongst dairy farms. The projects quantify the avoided methane from the diversion of dairy manure from lagoons and the purification and use of this methane as a vehicle fuel. As a result of this process, the project shows avoided methane emissions from the baseline, resulting in the generation of credits by diverting methane from these farms.

Moreover, certifying this pathway would perversely reward factory farming, which generates the manure feedstock for this project.

Certification of this pathway would not perversely reward the farm partners. The farm entity in question, Statz Brothers, Inc., is a second generation owned, family dairy that has been founded in 1966 and does not fit the “factory farm” label that the Commenters seem to be at odds with. The primary business of this farm is the production of milk and milk products. Dairy manure, and the associated



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methane, is a byproduct of this process. The projects have designed systems to divert this methane to the California vehicle fuel market. This results in both avoided dairy farm emissions and reduced emissions from vehicle fuels relative to other vehicle fuel alternatives. The project has not taken any action to increase the amount of methane produced by the farms. The farm operations exist wholly separate from the fuel production process. Furthermore, the LCFS program awards credits on the continued emissions reduction compared to a baseline, and this is reviewed annually through an independently verified process to ensure projects are continually reducing GHG pollutants.

As this application highlights, CARB’s unlawful administration of the LCFS program is causing environmental and public health harms not just in California, but to communities and ecosystems across the United States – in this case Wisconsin – by incentivizing and rewarding some of the worst factory farm practices.

This LCFS pathway application focuses exclusively on the addition of a biogas upgrading facility to collect and purify methane for beneficial use. As stated previously, the addition of this facility does not impact the operation of the dairy. The applicants believe this pathway benefits communities and ecosystems in both California and, in this case, Wisconsin through the avoided dairy farm emissions and the economic activity that surrounds the farm operations in Wisconsin, and the reduced emissions associated with vehicle fuels in California. The only incentive that the LCFS program provides to farms is one to reduce the amount of GHG emissions that the milk producing operations emit.

In summary, while US Venture, Inc. and Dane Renewable Energy, LLC are thankful for the opportunity to address the Commenters for their interest in these projects, we further contend that no changes to the pending application under CARB review are required and see no reason to deny or stay a certification decision on this pathway.

Sincerely,

Michael L. Koel
President
U.S. Gain, a division of U.S. Venture, Inc.

