COALITION FOR CLEAN AIR

May 8, 2024

California Air Resources Board
1001 I Street,
Sacramento, California 95814
Via Electronic submittal

Re: Amendments to the Low Carbon Fuel Standard

To the Air Resources Board:

The Coalition for Clean Air has long supported the Low Carbon Fuel Standard as an essential tool for reducing harmful emissions from the transportation sector, California's largest source of both air and climate pollution. The LCFS supports both the end goal of achieving zero-emission transportation and the interim goal of substituting low carbon renewable fuels for gasoline and diesel during the current period when we still have combustion vehicles on the road. Because of the magnitude of our air pollution and climate crises, we now need the LCFS to both work harder, through greater stringency, and work smarter, by incenting the cleanest fuels and avoiding harms to communities.

Having participated in the September 28 Board hearing, reviewed the December 19 Initial Statement of Reasons and attended the April 10 workshop remotely (although my hand was raised for 3 hours, time ran out before I had a chance to comment), we support both major and minor revisions to the staff proposal. **Most importantly, we are concerned that the absence of a cap on crop-based biofuels jeopardizes the success of the entire LCFS.**

We support the following amendments to the LCFS:

1. **Limit crediting of crop-based biofuels.**
   CARB should establish guardrails to prevent incentivizing conversion of crop lands to fuel production, which exacerbates already-existing food shortages in much of the world. While biofuels made from wastes can provide a net climate benefit, using productive land to produce fuel is detrimental to the climate, because carbon-absorbing natural land elsewhere will be converted into crop production.

   At a minimum, CARB should immediately cap lipid biofuels at 2020 levels, to avoid being swamped with soy-based diesel fuels that are shuffled in from other states, depress

LCFS credit values and provide no additional benefit to our climate, because they are already required for compliance with the Federal Renewable Fuel Standard. Ultimately, these fuels should be phased out of the LCFS.

2. **Increase the stringency of the program, and add an acceleration mechanism.**
   Meeting California's greenhouse gas emission caps under SB 32 and AB 1279 will require more rapid progress in phasing out petroleum fuels in the transportation sector, our largest source of climate-changing emissions. Alongside CARB's regulations and incentives for deploying cleaner engines, and the state's as-yet unrealized targets for reducing vehicle miles travelled, the LCFS provides a vital tool for curbing transportation emissions, as reiterated by the 2022 Scoping Plan Update, which calls for a 94% reduction in petroleum use and identifies the LCFS as a key route to that goal. Therefore, we support the proposed standard of a 30% reduction in fuel CI by 2030, and 90% by 2045, with inclusion of an automatic acceleration mechanism as a backstop to assure that the market in cleaner fuels stays at a robust level.

3. **Remove the exemption for aviation fuel by 2026 for both intrastate and interstate flights.**
   Conventional jet fuel should be held to the same standard as other petroleum-based transportation fuels. California currently lacks a comprehensive plan for decarbonizing aviation fuels, and including conventional aviation fuel as a deficit generator under the LCFS would help to spur innovation in cleaner fuels and equipment. Cleaning up aviation fuels and equipment will also help protect the health of workers and communities who are most exposed to the emissions from this sector.

4. **Use utilities' base residential LCFS credits to promote equity in zero-emission personal mobility and deployment of clean medium and heavy-duty vehicles.**
   LCFS base residential credit proceeds generated by EDUs from electricity used as a transportation fuel should be used to effectively and equitably hasten the adoption of zero-emission electrified transportation, with a focus on disadvantaged and low-income communities. We and our allies are submitting a separate letter on this topic.

5. **Maximize the benefits of the proposed medium- and heavy-duty fast charging infrastructure program by increasing flexibility to better support the deployment of necessary infrastructure.**
   CARB regulations, which we support, require a transition to zero-emission engines in buses, trucks and other medium and heavy-duty vehicles. That transition is essential to solving our air pollution and climate crises, and infrastructure challenges are probably the biggest single obstacle to success. Therefore, we support the proposed creation of an infrastructure crediting mechanism for medium and heavy-duty refueling for zero-emission vehicles, both battery-electric and fuel-cell electric.

   But the success of the MHD-FCI provision will be constrained by the geographic limitation to projects *"Located within one mile of a reading or pending electric vehicle*

Federal Highway Administration Alternative Fuel Corridor or on or adjacent to a property used for medium or heavy-duty vehicle overnight parking, or has received capital funding from a State or Federal competitive grant program that includes location evaluation as criteria." We recommend expanding the radius to 5 miles, as the 1-mile restriction will undercut program effectiveness, delay deployment, and increase costs for charging and grid upgrades.

6. **Allow crediting in the marine sector.**
   We urge CARB to allow credits for zero-emission transportation fuels used for ocean-going vessels, and to simplify the process for credits for shore power installations serving electrified harbor craft and for dispensing green hydrogen. The marine sector is a substantial source of emissions in much of the state, and the LCFS can spur conversion to cleaner fuels and support CARB's regulations of ocean-going vessels and commercial harbor craft.

7. **Phase out crediting of oil projects.**
   California should be planning a transition away from fossil fuels, so allowing credits for oil projects provides a perverse incentive to perpetuate the very problem that the LCFS seeks to solve. These credits should be phased out sooner than the 2040 date proposed by the ISOR.

CARB should regulate methane emissions from large dairies.
This issue is not included within the four corners of the LCFS rulemaking but is related. Dairies are the largest California source of methane, a potent short-lived climate pollutant. CARB should require the large dairies to reduce their emissions of both manure and enteric methane. The regulations should also strive to protect local communities from the adverse impacts of large-scale dairy production.

We look forward to continued discussions as the Board considers the LCFS amendments.

Respectfully,

Bill Magavern

Bill Magavern
Policy Director
Coalition for Clean Air