



May 9th, 2024
California Air Resources Board
1001 I Street
Sacramento, CA 95814

RE: Low Carbon Fuel Standard Public Workshop, April 10th

Dear CARB staff,

We appreciate the opportunity to provide comment on the April 10th Low Carbon Fuel Standard Public Workshop, part of the greater process in moving forward with updates to this critical program. California Environmental Voters champions climate justice and therefore the potential that an improved LCFS will have to advance environmental and community outcomes. This program is critical to achieving California's climate goals, but it must continue forward with changes that reflect the lessons learned to maximize the program's outcomes.

Inclusion of additional fuel sectors

We commend CARB staff for recognizing the importance of folding in jet fuel into the LCFS. As California is the largest consumer of jet fuel in the country, it's crucial to expand our decarbonization efforts to this sector of transportation. Intrastate flights are the logical starting point, however as noted in the ISOR this only includes 10% of flights which account for 2% of the state's overall transportation sector emissions. We urge CARB to move forward with this, however CARB should consider the greater emissions benefits of interstate and international flights where possible.

Similarly, crediting zero-emission shipping fuels and simplifying crediting for shore power installations for electric harbor crafts are both necessary actions to reduce port emissions. This action would be on par with commitments from major cargo owners and shipping to transition to zero-carbon shipping fuels by 2040¹. Any hydrogen used in this sector can and should be truly green hydrogen. Green hydrogen should only be considered electrolytic hydrogen produced using truly clean sources of energy (wind, solar, geothermal) and the production must adhere to the three pillars of 1) additionality, 2) hourly matching, and 3) deliverability in order to not risk increasing emissions. Updating crediting for these would provide the financial incentives to usher in this transition in a timely manner, in addition to reducing the emissions burden faced by port communities.

ZE Solutions

The longevity of liquid fuels for legacy vehicles is expected as we transition toward electric vehicles, however the LCFS program is allocating an outsized share of financial incentives to these fuels. In 2022 80% of the funding in the LCFS program went to combustion fuels instead of electricity, which is arguably more pertinent to the state's near- and long-term expectations

¹ "Leading Cargo Owners Stand Together for Maritime Decarbonization." Cargo Owners for Zero Emission Vessels (2021). https://www.cozev.org/img/FINAL-coZEV-2040-Ambition-Statement_2021-10-18-144834_uorz.pdf

for ZEV deployment across the state². Furthermore, the state would see significant benefits if CARB were to increase support for electric school buses and transit buses. Reducing the VMT and emissions are both critical to reaching our climate goals set forth in the 2022 Scoping Plan, so bolstering these types of vehicles should be prioritized.

Polluting fuels

Biofuel cap

Fossil diesel has a known and harmful legacy of emissions that the LCFS seeks to slow, however biofuels are not without their own direct and indirect detrimental impacts. The workshop acknowledges the necessity of guardrails in ongoing biodiesel usage. At minimum, accurate CI scores and the addition of land-use change (LUC) impacts are necessary to factor in the overall impacts of these fuels within the LCFS. Moreover, when EPA compared five models for assessing the climate impacts of crop-based biofuels, only CARB's yielded a positive carbon-reduction impact, which raises the question of how the benefits of such fuels are overstated in the current LCFS³. Given the unprecedented growth these fuels have seen due to this program, a cap would limit associated environmental harms, stabilize credit prices, and prioritize funds going toward ZEV deployment⁴.

Avoided methane crediting phase out

CARB staff's current proposal suggests a 2040 phase-out date for avoided methane crediting, this delayed date a product of the timeline of transitioning to non-combustion vehicles as shared in the 2022 Scoping Plan Update. While we understand the longevity of demand for fuels such as biomethane as certain sectors are slower or more difficult to decarbonize, we urge staff to reconsider the precedent this credit has established.

Dairies account for over half of methane emissions in California yet the only incentive to capture emissions is avoided methane crediting. This model created a perverse incentive where increased herd sizes allow digester operators to capitalize off captured emissions. The livestock waste management associated with digester operation is not the lowest-emissions pathway, given the option for dry handling, however it is perpetuated due to the appeal of maximizing credit generation.

As of January 1, 2024, the regulation of dairy methane emissions is now on the table. In tandem with the ongoing LCFS update process, we are calling on CARB to fortify the current short-lived climate pollutant strategy by kickstarting this regulatory process. Dairy emissions need to be

² Martinez, Adrian. "When Will Governor Newsom Fix Schwarzenegger's Low Carbon Fuel Standard?" *Earthjustice* (2023). <https://earthjustice.org/experts/adrian-martinez/when-will-governor-newsom-fix-schwarzeneggers-low-carbon-fuel-standard>

³ St. John, Jeff. "California's biofuel bias is hampering its EV future. Can that change?." *Energy News Network* (2024). <https://energynews.us/2024/03/13/californias-biofuel-bias-is-hampering-its-ev-future-can-that-change/>

⁴ Martin, Jeremy. "A Cap on Vegetable Oil-Based Fuels Will Stabilize and Strengthen California's Low Carbon Fuel Standard." *Union of Concerned Scientists* (2024). <https://blog.ucsusa.org/jeremy-martin/a-cap-on-vegetable-oil-based-fuels-will-stabilize-and-strengthen-californias-low-carbon-fuel-standard/#:~:text=Capping%20the%20renewable%20diesel%20boom&text=The%20California%20LCFS%20has%20%20since,other%20secondary%20fats%20and%20oils.>

treated similarly to that of landfills and oil and gas, instead of operating with only rewards as an incentive.

Furthermore, we are calling on CARB to engage in good-faith conversations with impacted community members and environmental justice groups about the legitimate harm caused by current dairy methane management practices. While some of these harms may fall outside of the agency's regulatory authority, updates to the LCFS must not add fuel to the fire. Frustration with process concerns and integration of community input thus far indicates that the CARB must take further steps to address these harms within updates to the LCFS, as well as provide greater transparency as to where the agency is unable to act.

We look forward to continued collaboration with CARB on this process to improve the critical work of the LCFS. This is an opportunity to further align the program with the state's complementary programs, however a successful update should be grounded in real climate solutions and productive opportunities for public engagement.

Regards,

A handwritten signature in black ink, appearing to read "Gracyna Mohabir".

Gracyna Mohabir
Clean Air and Energy Regulatory Advocate
California Environmental Voters