

June 14, 2023

RE: Low Carbon Fuel Standard Community Workshops

The undersigned organizations and community residents have provided myriad and voluminous comments on the inadequacies and inequities that result from the current design of the LCFS, which CARB's proposed changes would further entrench. While we briefly reiterate our evidence and policy recommendations that have been relayed for years, we write these comments to underscore key procedural actions that CARB must take to ensure the integrity of both the LCFS and this rulemaking process:

Procedural Recommendations

- 1. CARB must incorporate key assumptions included in the Environmental Justice Scenario presented by Stanford researchers at the Community Workshops into the proposed amendments to the LCFS.
- 2. CARB must commit to, at minimum, two board meetings dedicated to discussion of the LCFS so that there is a meaningful opportunity for oversight and direction from the Board.
- 3. CARB should cease the practice of redacting essential information in pathway applications, especially herd size, manure volumes, and factory farm gas volumes.
- 4. In order to foster a space where residents from dairy-polluted communities feel comfortable sharing their experience, we ask that staff refrain from discrediting community comments and experiences during workshops, public comments, and social media. Residents attend the workshops to provide their feedback and educate CARB staff on the realities on the ground and how the LCFS impacts their lives. We find it alarming that lead CARB staff find it acceptable to openly discredit community voices, and we question the purpose of workshops when staff so clearly announce that they have no intention of meaningfully listening to the community.

Policy Recommendations

- 1. CARB must phase out avoided methane crediting no later than January 1, 2024.
- 2. CARB must account for the full well-to-wheel lifecycle emissions from the production of fuels derived from livestock manure, including upstream enteric emissions and downstream digestate emissions.
- 3. CARB must ensure that the updated LCFS responds to and addresses the related concerns raised from residents near factory farms, dairy digesters, and refineries.
- 4. CARB must not award credits for increased feedstock after a pathway application.

During the May 31st and June 1st Community Workshops, Stanford Professor Michael Wara presented on the feasibility of LCFS policy changes that would advance air quality, climate, and environmental justice goals ("EJ Scenario"). Notably, the findings demonstrated that CARB does not need to rely on ongoing massive credit generation from factory farm gas production in order to meet its climate goals. In fact, utilizing CARB's own California Transportation Supply (CATS) model, this additional modeling demonstrated that not only could CARB meet its greenhouse gas reduction targets under the EJ Scenario, but also that it would increase investments in electric vehicles and charging infrastructure without negatively affecting LCFS credit prices, in alignment with CARB's other policies and California's broader commitment to electrification over combusting fuels. Additionally, Stanford researchers identified significant outdated modeling assumptions. CARB staff must first correct the modeling assumption that petroleum diesel *increases* over time, as it is inconsistent with the recently adopted ACC2, ACT, and ACF rules, and significantly drives the outcome of the current staff proposal. Then, CARB should include the EJ Scenario in proposed amendments so that the elimination of avoided methane crediting in 2024 and the capping of crop-based biofuels may be meaningfully considered by the Board.

One of the key assumptions underlying the EJ Scenario is the removal of avoided methane crediting in 2024 rather than, as CARB currently proposes, in 2040. The EJ Scenario makes it clear that CARB can remove this distorting and environmentally unjust policy and meet its climate goals without externalizing harm to disproportionately lower income communities and communities of color, especially in the San Joaquin Valley. Avoided methane crediting treats the most climate and pollution intensive herd and manure management choices—highly concentrated herds and liquified manure—as the baseline and treats the capture of any of that excessively generated methane as "avoided" and therefore worthy of generous crediting. Avoided methane crediting thus rewards these operations for knowingly implementing management choices that result in massive methane emissions and also pollute the air and water of communities near these factory farms. CARB has the authority to adopt direct emission reduction regulations for these activities under SB 1383, and CARB must begin that rulemaking process immediately.

To that end, CARB heard from many residents of the San Joaquin Valley who live near factory farms. They raised concerns about the impact of concentrating dairy herds and digesters on their health and quality of life. They raised concerns about procedural justice and the lack of accessibility to engage in the decision making process. They called on CARB to finally regulate this polluting industry that occupies their community. CARB must specifically respond to these community concerns and provide specific commitments to residents about how the updated LCFS will address those concerns.

CARB also heard from community members from refinery communities who testified in support of LCFS amendments that would prioritize electrified transportation over polluting combustion-based alternatives like factory farm gas and crop-based biofuels. They raised concerns that livestock biomethane, overvalued because of avoided methane crediting and other inaccuracies, would be utilized to subsidize the expansion of pollution from status quo dirty hydrogen production co-located in refinery communities.

Finally, it is our understanding that CARB staff currently only intend to present its recommendations for amendments to the LCFS to the Board once, some time in Fall 2023. This is unacceptable. First, the LCFS is an extremely technical program which requires significant time from staff, the EJAC, and the public to brief the Board. Second, there is significant

disagreement between the environmental/environmental justice advocates and the advocates for industry. The Board needs time to review and resolve material disagreements on the science and policy. Finally, the Board must be given an opportunity to provide feedback and ask oversight questions of staff, as is common practice for complex rulemakings of this nature. A single board meeting simply does not allow for this. We request confirmation that there will be no fewer than two board meetings on the LCFS rulemaking.

Regards,

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