Comparison of 2023 EJAC LCFS Recommendations to the Board to CARB 2024 LCFS Second Proposed 15-day Changes October 2024

EJAC LCFS Recommendations Resolution August 2023	CARB Proposed Amendments to the LCFS October 2024 Second Notice of Modified Text
Full Lifecycle Assessment of Emissions: *Recommendation #1. Conduct and incorporate a full life cycle assessment of all air pollution and greenhouse gas (GHG) emissions for all pathways, and their implications for environmental justice communities.*	**No changes to the GHG lifecycle assessment done for individual fuel pathways.**
Accounting for Livestock and Dairy Manure: *Recommendation #2. Conduct a full accounting of GHG and air pollution emissions associated with pathways relying on the production of fuel from livestock and dairy manure.*	**No changes to the GHG lifecycle assessment done for individual fuel pathways.**
Avoided Methane and Credit Generation: *Recommendation #3. Eliminate avoided methane credits effective January 1, 2024.* *Recommendation #4. Eliminate credit generation for pathways relying on the production of fuel from livestock and dairy manure for emissions reductions that otherwise would have occurred or were legally or contractually required to occur.*	• The proposal updates the requirements for crediting periods for avoided methane emissions for RNG used in combustion vehicles in response to public comment. Any existing projects before the new regulation would take effect come into the Program with three crediting periods. Any new projects after the Regulation comes into effect and before 2030 would be limited to two crediting periods. Any new projects after 2030, would only get through the end of 2040. The current regulation limits projects to three crediting periods but is silent on any limits specific to avoided methane crediting. • The proposal phases out avoided methane crediting in three ways: • 1) For pre-2030 projects for RNG to combustion, the crediting periods phase out avoided methane

	crediting by 2049, following no more than 2 crediting periods. .[1] • 2) For post-2030 projects for RNG to combustion, the avoided methane crediting ends in 2040.[2] • 3) For post-2030 projects where RNG is used for hydrogen or electricity, avoided methane crediting ends in 2045.[3] • While this does not eliminate avoided methane crediting by 1/1/24, the proposal provides an off-ramp for RNG that could have gone to combustion for the transportation sector while putting in place an incentive to take action by 2029 to help achieve the SB 1383 methane target.
Lipid Biofuels: *Recommendation #5. Cap the use of lipid biofuels at 2020 levels pending an updated risk assessment to determine phase out timelines for high-risk, crop-based feedstocks.*	• The proposal modifies the twenty percent crediting eligibility limitation on certain virgin crop-based feedstocks used to produce biomass-based diesel. This provision will now include sunflower oil in addition to soybean and canola oil, such that biomass-based diesel from virgin soybean, canola, and sunflower oil in excess of twenty percent will be assigned the carbon intensity of the carbon intensity benchmark for that year, or the certified carbon intensity of the applicable fuel pathway; whichever is greater. The provision will not apply to any biomass-based diesel pathway certification applications submitted before the effective date of the regulation until January 1, 2028.[4] • The proposal would require that biomass-based diesel produced from virgin soybean, canola, and sunflower oil is limited to LCFS credits for up to twenty percent combined of

[1] Section 95488.9(f)(3)(A); page 170 of the August 2024 15-day proposal
[2] Section 95488.9(f)(3)(A); page 170 of the August 2024 15-day proposal
[3] Section 95488.9(f)(3)(A); page 171 of the August 2024 15-day proposal
[4] Modifications to Section 95482.(i); page 3 of the September 2024 Second 15-day proposal

	total crop and waste-based diesel annual production reporting, by company.[5] • Proposal would apply sustainability requirements to all non-waste biomass, not just crops. [6] • Would requires attestation to no deforestation by 2026; certification for no deforestation by 2028;[7] and full sustainability certification by 2031.[8] • Proposal would allow the Executive Officer, starting in 2031, to stop accepting new biomass-based diesel fuel pathway applications, if in 2029 California achieves the level of ZEV and NZEV deployment set by the ACT/ACF regulation.[9]
Enhanced Oil Recovery: *Recommendation #6. Prohibit enhanced oil recovery as an eligible sequestration method.*	SB 905 prohibits enhanced oil recovery activities to be associated with a geological carbon sequestration project in California. Staff will have a separate process to workshop the requirements in SB 905 as part of future SB 905 rulemaking efforts.
LCFS Credits for CCUS and DAC: *Recommendation #7. Do not issue LCFS credits for carbon removal projects such as Direct Air Capture*.	Direct Air Capture (DAC) is a key component of CARB's plan to reduce greenhouse gas emissions and meet carbon neutrality by 2045. Eliminating credits for DAC projects would eliminate one of the key incentives to deploy this technology and jeopardizes the feasibility of achieving California's long-term decarbonization targets and the 2045 carbon intensity target proposed under this project.
Jet Fuel:	Existing exemption for conventional jet fuel from deficit generation under the Program remains unchanged in the proposal.[10]

[5] Section 95482(i); page 37 of the August 2024 15-day proposal
[6] Section 95488.9(g)(1)(A); page 171 of the 15-day proposal
[7] Section 95488.9(g)(2) - (g)(3); pages 172-175 of the 15-day proposal
[8] Section 95488.9(g)(4); pages 175-176 of the 15-day proposal
[9] Section 95488(d); page 120 of the 15-day proposal
[10] Section 95482(a); page 34 of the 15-day proposal

Recommendation #8. Consider the inclusion of intrastate jet fuel and marine fuels as a deficit generator and provide analysis of this option as part of the LCFS.	Staff evaluated inclusion of conventional jet fuel as a deficit generator, but determined that this approach would not mandate, nor necessarily incentivize, airlines to use the cleaner fuel. Instead, fuel producers would have generated the deficits. CARB committed to evaluate approaches for zero-emission airport operations as part of the recent US EPA, CARB, and SCAQMD announcement. Zero emission operations at airports in California would reduce harmful air pollution in the sector and improve air quality for airport workers and nearby communities.