

May 6, 2011

Michelle Buffington  
Stationary Source Division  
California Air Resources Board  
1001 I Street  
Sacramento, CA 95814

**Re: TNC Comments on the LCFS Advisory Panel Draft Workplan, Version 1**

Dear Ms. Buffington:

The Nature Conservancy is pleased to provide comments on Version 1 of the Low Carbon Fuels Standard Advisory Panel Draft Workplan. Our comments are focused on the incorporation of sustainability considerations and criteria into the Workplan, as the protection of public benefits and ongoing supply of certain low carbon fuels, including forest biomass, will rely on them.

Acknowledging the importance of sustainability criteria, the California Air Resources Board (CARB), has established a workgroup to invest time and expertise to consider and develop sustainability criteria that could be included in the LCFS. This Sustainability Workgroup (SWG) process is underway and its recommendations are being developed in a concurrent process that should conclude at the same time as the LCFS Advisory Board Recommendations.

Given these parallel processes, it is important for CARB staff to:

- 1) Identify key areas among the LCFS Advisory Panel topics and recommendations where sustainability criteria should be considered and incorporated, and
- 2) Identify and develop a process by which the Sustainability Workgroup recommendations could be integrated with the relevant LCFS Advisory Panel recommendations that ARB ultimately adopts.

While the former recommendation should occur as part of the LCFS Advisory Panel process, the latter recommendation could be a process that follows the conclusion of both the SWG process as well as the LCFS Advisory Panel process. Just as the Draft Workplan explicitly acknowledges the value of considering and incorporating the recommendations of the LCFS Expert Workgroup, the recommendations of the SWG should also be considered.

With these procedural recommendations in mind, the following are specific topical areas in the Draft Workplan that should include sustainability considerations, reference the SWG process, and ultimately include a process for integrating the SWG recommendations:

### Topic 3: Lifecycle assessment

It is important for lifecycle assessments with respect to forest biomass consider the impacts of net carbon emissions and/or carbon uptake that may result from the production and removal of biomass from forested areas, as it has the ability to impact the carbon intensity of a fuel.

- The SWG is expected to examine the potential direct impacts to carbon sequestration/GHG emissions from forest areas that provide biomass for fuel
- The LCFS Advisory Workplan should acknowledge that sustainability criteria are applicable to this topic and ultimately the SWG recommendations should be considered and integrated with this topic

### Topic 5: Ultralow Carbon Fuels

The prospect of developing incentives for ultralow carbon fuels only emphasizes the need to consider and adopt sustainability criteria to ensure that ultralow carbon fuels (e.g., cellulosic ethanol) are produced sustainably and any incentives for ultralow carbon fuels should take this into account

- The sustainability criteria and the recommendations of the SWG should be considered alongside recommendations for incentives for ultralow carbon fuels (e.g., cellulosic ethanol)
- The LCFS Advisory Workplan should acknowledge that sustainability criteria are applicable to this topic and ultimately the SWG recommendations should be considered and integrated with this topic

### Topic 12: Economics (and environmental impacts)

As this topic acknowledges, it is important not only to consider the economic impacts of the LCFS, but also the environmental impacts (please note, this topic should be edited to include environmental impacts). The sustainability criteria to be developed by the SWG workgroup should ultimately be used to help analyze the environmental impacts of the LCFS and avoid negative impacts from happening in the first place.

- This topic should include a question regarding the process by which the SWG and sustainability criteria could be incorporated to assess impacts both retrospectively and prospectively

- The LCFS Advisory Workplan should acknowledge that sustainability criteria are applicable to this topic and ultimately the SWG recommendations should be considered and integrated with this topic

Once again, TNC appreciates the opportunity to provide comment on the Draft Workplan and we look forward to working with you to advance these goals the overall success of the LCFS.

Sincerely,

Michelle Passero  
Senior Climate Policy Advisor