



***LCFS Sustainability  
Workgroup Meeting***



March 24, 2010

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***Agenda***

1. Purpose of LCFS Sustainability Workgroup
2. Review of Sustainability Workplan
3. Other Sustainability Efforts
4. Meeting Logistics, Frequency, etc
5. Legal Issues, Compliance, Incentives
6. Scope of Forest Challenges
7. Scope of Agricultural Challenges
8. Wrap Up and Next Steps

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## ***Low Carbon Fuel Standard***

- Approved by Board in April 2009
  - Pursuant to Executive Order S-01-07
  - Reduce carbon intensity of California's transportation fuel by at least 10% by 2020
- Resolution 09-31 directs staff to:
  - Present a sustainability workplan to the Board in January 2010
  - Provide a framework for including sustainability provisions in LCFS by no later than December 2011

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## ***LCFS Sustainability Provisions***

- Resolution 09-31 explicitly requires ARB staff to work with:
  - Interagency Forest Working Group (IFWG)
  - Appropriate State agencies
  - Environmental advocates
  - Regulated parties
  - Other interested stakeholders
- ARB staff will have a transparent, participatory process to accomplish this directive

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## ***Scope of LCFS Sustainability Workgroup***

- Address sustainability as it applies to transportation fuels
- Will not address wood products or Renewable Electricity Standard (RES)

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## ***Desired Outcome***

To take to the Board no later than December 2011 practical, enforceable sustainability provisions that assure alternative fuels produced to meet the LCFS are produced in a responsible and sustainable manner

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## ***Review of Sustainability Workplan***

Michelle Werner

## ***Proposed Sustainability Workplan***

- Drafted in December 2009
- Distributed for comments
- Revised in March 2010
- To be proposed to the Board in an LCFS update memo in March/April

## ***Importance of Sustainability Provisions***

- Sustainability: Meet the present needs without compromising the ability of future generations to meet their needs
- 3 Areas of Sustainability
  - Environmental
  - Social
  - Economic

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## ***Environmental Sustainability***

- LCFS already includes indirect land use change
- Need to explore issues such as:
  - Biodiversity
  - Protection of sensitive lands
  - Biomass collection volumes
  - Water quality/supply
  - Soil quality/erosion
  - Localized air quality impacts

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## ***Social Sustainability***

- Issues to explore:
  - Land rights of indigenous people
  - Environmental justice
  - Food prices
  - Food security
  - Labor practices
- Countries with biofuel mandates and high imports trying to address these issues

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## ***Economic Sustainability***

Issues include:

- Food price/stability
- Creating viable long-term economic environment for alternative fuels

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## *Elements for Addressing Sustainability*

- Regulatory or set of policies or both?
- UCD report presented a range of ideas for framework
  - Included review of international progress
- Key elements include:
  - Principles and criteria
  - Benchmarking and/or third party certification
  - Supply chain and reporting requirements
  - Legality

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## *Process*

- Work with stakeholders in transparent, public process
- Work with national and international partners
- Assess current laws and regulations
- Follow development of certification and benchmark systems
- Identify policies that incentivize sustainability
- Do not disproportionately impact low-income communities
- Prioritize efforts to regionalize nation and international efforts

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## *Timeline*

- **March 2010:** Form sustainability work group (SWG) and establish overall workload
- **May 2010:** Workgroup begins tackling sustainability challenges
- **October – December 2010:** Develop draft language
- **May 2011:** Complete first draft
- **October 2011:** Release proposed language
- **December 2011:** Go to Board with recommendations

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## *Public Workshops*

The SWG progress will be reported in a public workshop forum at the following suggested intervals:

- September 2010
- January 2011
- July – September 2011

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## ***Other Sustainability Efforts***

Carmen Spranger

## ***Overview***

- Sustainability Efforts
  - California
  - National
  - International
- Certification Organizations

## *Sustainability Efforts*

- **California**
  - LCFS Sustainability Work Group
  - AB118
  - Interagency Forestry Work Group (IFWG)
  - California Biomass Collaborative
- **National**
  - USEPA – Renewable Fuel Standard 2 (RFS2)
  - USDA – Office of Environmental Markets (OEM)
  - Northeastern States LCFS

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## *Sustainability Efforts*

### **International**

- European Union Renewable Energy Directive (EU RED)
- EU Fuel Quality Directive (FQD)
- United Kingdom Renewable Transportation Fuels Obligation (RTFO)

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## *AB118 Overview*

- **Purpose:** Diversify California's transportation fuels market and reduce California's dependence on petroleum.
- \$1.5 Billion State Funding
  - CEC's Alternative and Renewable Fuel and Vehicle Technology Program
  - ARB's Enhanced Fleet Modernization and Air Quality Improvement programs

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## *IFWG*

### **IFWG's Mission:**

To lead California in developing policies and programs that serve the public interest in environmentally, economically, and socially sustainable management of forest and rangelands and a fire protection system that protects and serves the people of the state.

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## *California Biomass Collaborative*

- Administered for the State by the University of California, Davis.
- Sponsored by the California Energy Commission and other agency and industry partners.
- Works to enhance the sustainable management and development of biomass in California

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## *National*

- US EPA
  - **Renewable Fuel Standard**
- USDA 2008 Farm Bill
  - **Office of Environmental Markets (OEM)**
- Northeast States for Coordinated Air Use Management (NESCAUM)
- Other States

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## ***EU RED and FQD***

- EU RED adopted in 2008 requiring 10% renewable energy for transportation
- FQD requires a 6-10% reduction in transportation lifecycle GHG intensity by 2020
- Member states may use their own scheme formats that will be assessed by the EU Commission
- Indirect land use issues will be reported by the EU Commission in 2010

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## ***UK RTFO***

- 2008/09 first year of operation
- Requires 3.25% of all UK fuel sold in UK for 2009/10 and 5% by 2013/14 to come from renewable sources
- Reporting under the RTFO is based on a meta-standard approach to sustainability
- Suppliers are required to produce renewable transport fuel certificates (RTFCs)
- RTFCs are to report on net GHG savings and the sustainability of the biofuel

**Renewable Fuels Agency website:**

<http://www.renewablefuelsagency.gov.uk/>

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## ***Forest Certification Organizations***

- Forest Stewardship Council - FSC
- Sustainable Forestry Initiative – SFI
- Programme for the Endorsement of Forest Certification – PEFC
- Canadian Standards Association – CSA
- American Tree Farm Systems (ATFS)
- Etc.

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## ***Other Certification Organizations***

- Roundtable on Sustainable Biofuels - RSB
- Roundtable on Sustainable Palm Oil - RSPO
- Better Sugarcane Initiative - BSI
- Roundtable on Responsible Soy - RTRS
- Council on Sustainable Biomass Production - CSBP
- Sustainable Biodiesel Alliance - SBA
- Etc.

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