

**California Environmental Protection Agency
Air Resources Board**

**Staff Report: Calculating Life Cycle Carbon
Intensity Values of Transportation Fuels
in California**

**Industrial Strategies Division
Transportation Fuels Branch
Fuels Evaluation Section**

March 2015

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**State of California
AIR RESOURCES BOARD**

**Staff Report: Calculating Life Cycle Carbon Intensity
of Transportation Fuels in California**

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GLOSSARY

ANL	Argonne National Laboratory
ARB	Air Resources Board
CA-GREET	California Greenhouse Gases, Regulated Emissions, and Energy Use in Transportation Model
CI	Carbon Intensity
CO	Carbon Monoxide
CO ₂	Carbon Dioxide
GHG	Greenhouse Gas
LCA	Life Cycle Analysis
LCFS	Low Carbon Fuel Standard
LCI	Life Cycle Inventory
N ₂ O	Nitrous Oxide
NREL	National Renewable Energy Laboratory
TTW	Tank-to-Wheels
U.S. EPA	United States Environmental Protection Agency
VOC	Volatile Organic Compound
WTT	Well-to-Tank
WTW	Well-to-Wheels

I. INTRODUCTION

Staff of the Air Resources Board (ARB or Board) prepared three reports for external scientific peer review entitled:

1. Staff Report: Calculating Life Cycle Carbon Intensity Values of Transportation Fuels in California
2. Staff Report: Calculating Carbon Intensity Values of Crude Oil Supplied to California Refineries
3. Staff Report: Calculating Carbon Intensity Values from Indirect Land Use Change of Crop-Based Biofuels

These reports describe staff's methodology for calculating fuel carbon intensity (CI) with the use of life cycle greenhouse gas (GHG) emissions models. CI is a measure of the GHG emissions per unit of energy of fuel and is measured in units of grams of carbon dioxide (CO₂) equivalent emissions per megajoule of fuel energy (gCO₂e/MJ). In preparing each report referenced above, staff used the following model(s) to calculate CI values, respectively:

1. California Greenhouse Gases, Regulated Emissions, and Energy Use in Transportation (CA-GREET) Model
2. Oil Production Greenhouse Gas Emissions Estimator (OPGEE) Model
3. Global Trade Analysis Project (GTAP-BIO) Model combined with the Agro-Ecological Zone Emissions Factor (AEZ-EF) Model

This staff report is one of the three reports submitted for peer review. This report provides staff's methodology for calculating direct life cycle CI values and use of the CA-GREET model.

A. Low Carbon Fuel Standard

The determination of fuel CI is fundamental to the reporting and compliance determination provisions of the Low Carbon Fuel Standard (LCFS). ARB is proposing to re-adopt the LCFS regulation and to include updates and revisions to the previous regulation. The *Staff Report: Initial Statement of Reasons for Proposed Rulemaking. Proposed Re-Adoption of the Low Carbon Fuel Standard*¹ (ISOR) is provided on the **LCFS Regulation Rulemaking Documents** webpage at <http://www.arb.ca.gov/regact/2015/lcfs2015/lcfs2015.htm>.

The Board approved the original LCFS regulation in April 2009 as a discrete early action measure under the California Global Warming Solutions Act of 2006 (AB 32). The Board subsequently approved amendments to the LCFS in December 2011, which have

¹ California Air Resources Board. December 2014. Staff Report: Initial Statement of Reasons. Proposed Re-Adoption of the Low Carbon Fuel Standard.

been implemented since January 1, 2013. ARB brought a new LCFS regulation to the Board for consideration in February 2015. The proposed LCFS regulation contains revisions to the 2010 LCFS as well as new provisions designed to foster investments in the production of low-carbon intensity fuels, offer additional flexibility to regulated parties, update critical technical information, simplify and streamline program operations, and enhance enforcement.

The LCFS is designed to encourage the use of cleaner low-carbon fuels in California, encourage the production of those fuels, and, therefore, reduce greenhouse gas (GHG) emissions. The LCFS is performance-based and fuel-neutral, allowing the market to determine how the carbon intensity of California's transportation fuels will be reduced.

B. Fuel Carbon Intensity

A fuel pathway CI consists of the sum of the greenhouse gases emitted throughout the production and use life cycle of the fuel, expressed on a per-unit-of-fuel-energy basis. It is denominated in units of gCO₂e/MJ.

Carbon intensity is calculated using life cycle analysis (LCA). LCA is an analytical method for estimating the aggregate quantity of greenhouse gases emitted during a full fuel life cycle. In general, the CI includes the direct effects of producing and using the fuel, as well as any "indirect" effects that may be associated with the fuel.

The direct effects typically include feedstock generation or extraction, feedstock conversion to finished fuel or fuel blendstock, distribution, storage, delivery, and final use of the finished fuel by the end user. An LCFS CI expresses the combined atmospheric heat-trapping effect of five GHGs: CO₂, methane (CH₄), nitrous oxide (N₂O), volatile organic compound (VOC), and carbon monoxide (CO). Because these gases are not equivalent in terms of their ability to trap atmospheric heat, they are standardized to the heat-trapping capability of CO₂. This standardization process is described in more detail below.

Some categories of GHG emissions are not captured by the LCA methodology described in this chapter. Indirect emissions, such as those generated by indirect land use change, are estimated separately and added to the direct CIs calculated in keeping with the approach described herein.

The goal of the direct fuel LCAs performed under the LCFS is to identify and quantify all material and energy flows in a fuel's life cycle, to calculate the GHG emissions associated with those flows, and to sum those emissions subtotals into a single cumulative well-to-wheels CI value. The analytical framework used to conduct LCFS LCAs are described in a set of ISO standards falling in the 14000 series.²

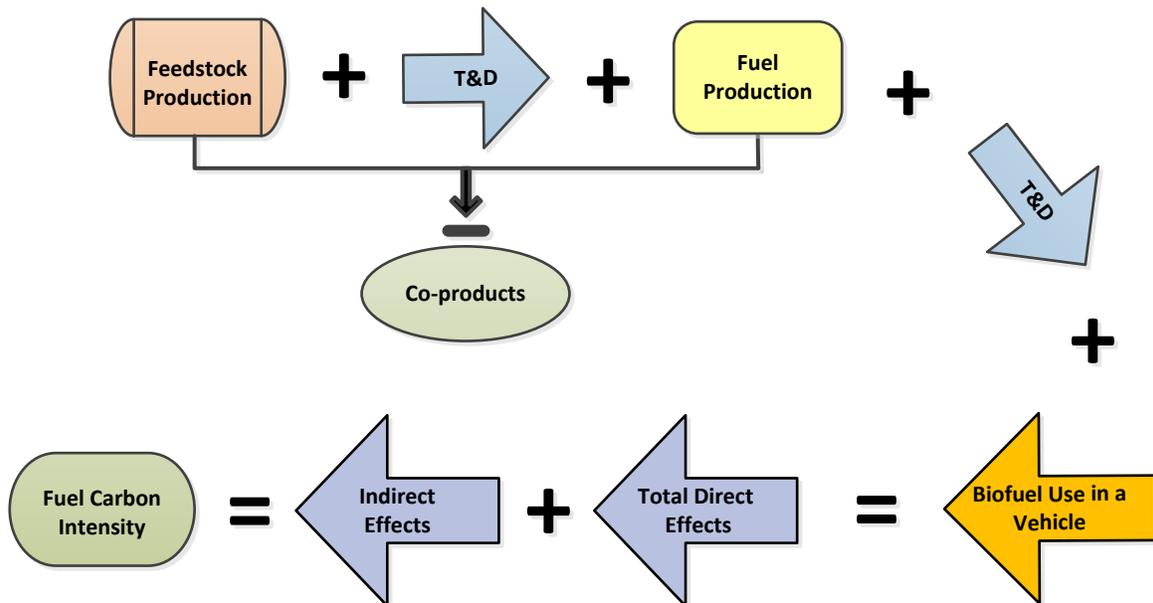
² International Organization for Standardization (ISO). Environmental Management, Life Cycle Assessment Series. Standards 10440, 14044, 14045, 14046, 14047, 14048, 14049, 14071, 14072, and 14073.

C. California Greenhouse Gases, Regulated Emissions, and Energy Use in Transportation Model

LCFS fuel pathway CIs are calculated using version 2.0 of the CA-GREET model.³ As depicted in Figure 1, the direct GHG emissions from a fuel pathway are calculated in CA-GREET 2.0 as the sum of the GHG emissions from the following sequence of processes:

- Feedstock production (e.g., production of crude for gasoline and diesel, or digester biogas for biomethane)
- Feedstock transport, storage, and distribution
- Fuel production (e.g. gasoline refining, renewable diesel production)
- Production of co-products
- Finished fuel transport, storage, and distribution, and
- Fuel use in a vehicle.

Figure 1: Generalized Fuel Life Cycle Analysis Schematic



The LCA phases shown in Figure 1 are typically aggregated into two main stages. The first includes the series of steps that culminate in the dispensing of the finished fuel into a vehicle’s fuel tank, battery, or other storage device. The second stage includes the

³ Systems Assessment Section, Center for Transportation Research, Argonne National Laboratory and California Air Resources Board Staff, 2014. California-Modified Greenhouse Gases, Regulated Emissions, and Energy Use in Transportation Model (CA-GREET) version 2.0.

conversion of the stored fuel energy into motive power.⁴ A final LCFS well-to-wheels CI is expressed in terms of emissions per unit of fuel energy.

D. Peer Review Documents and Materials

The peer review process was initiated on November 19, 2014, by submittal of a Notice of Intent to the manager of the Scientific Peer Review Program. On January 21, 2015, ARB submitted a Request Memorandum for peer review. The memorandum includes a summary of the nature and scope of the requested review, descriptions of the scientific conclusions to be addressed, and list of recommended areas of expertise. The Notice of Intent and Request Memorandum for peer review are provided in Appendix A.

This staff report provides staff's methodology for calculating direct life cycle CIs and the overall context of the peer review. For a more detailed description of staff's approach and information on the CA-GREET model, please refer to Chapter II, Section D; Chapter III, Section L; and Appendix C of the ISOR. As previously stated, the complete ISOR and its appendices are provided on the **LCFS Regulation Rulemaking Documents** webpage at <http://www.arb.ca.gov/regact/2015/lcfs2015/lcfs2015.htm>. Direct links to the ISOR and Appendix C are also provided below:

- [Staff Report: Initial Statement of Reasons](#)
 - Chapter II, Section D – *Pages II-9 – II-11*
 - Chapter III, Section L – *Pages III-23 – III-42*
- [Appendix C](#): Comparison of CA-GREET 1.8B, GREET1 2013, and CA-GREET 2.0

The CA-GREET 2.0 models and supporting documentation are provided on the **CA-GREET 2.0 Model and Documentation** webpage at <http://www.arb.ca.gov/fuels/lcfs/ca-greet/ca-greet.htm>.

⁴ These two stages are often referred to as Well-to-Tank and Tank-to-Wheels. The Well-to-Tank (WTT) analysis includes all steps from recovery or production of the feedstock, to the blending and transport of the finished fuel to the retail service station for distribution to the vehicle tank. The Tank-to-Wheels (TTW) analysis includes the use of the fuel in an automobile. The WTT and TTW are combined to create a complete Well-To-Wheels (WTW) analysis of a transportation fuel.

II. ASSUMPTIONS AND INPUTS

The basis of all fuel pathway CIs under the LCFS is the life cycle inventory (LCI) data contained in the CA-GREET 2.0 spreadsheet. LCI data quantifies the relevant energy, material, and waste flows into and out of the fuel production system. Emission factors and process efficiencies are also used to calculate CIs. Examples of the LCI, emissions, and efficiency data found in CA-GREET 2.0 follow:

- *Agricultural feedstock production:*
 - Argonne National Laboratory (ANL) describes the material and energy flows used in the six cellulosic pathways included in its GREET1 2013 model⁵ in a 75-page document entitled “Material And Energy Flows In The Production Of Cellulosic Feedstocks For Biofuels For The GREET™ Model.”⁶ This document draws on multiple peer-reviewed journal articles, data from the U.S. Department of Agriculture, The U.S. Department of Energy, the National Renewable Energy Laboratory, The U.S. Environmental Protection Agency, and other sources.
 - ANL provided background details on its updated LCA of sorghum ethanol in a 2013 paper entitled “Life-cycle energy use and greenhouse gas emissions of production of bioethanol from sorghum in the United States.”⁷ This paper draws on information from a wide variety of sources, including the U.S. Department of Agriculture, the United Nations Food and Agriculture Organization, The U.S. Environmental Protection Agency, and other peer-reviewed literature.
 - The USDA’s Economic Research Service reported the results of a 1996 survey of sorghum producers.⁸ This report contained information on fertilizer, farm chemical, and on-farm fuel use.
- *Fuel Production*
 - The National Renewable Energy Laboratory (NREL) reported on its simulation of the process of converting corn stover to ethanol through

⁵ Systems Assessment Section, Center for Transportation Research, Argonne National Laboratory, 2013. Greenhouse Gases, Regulated Emissions, and Energy Use in Transportation Model (GREET 1 2013).

⁶ Wang, Z. et. al. October 2013. Argonne National Laboratory. Energy Systems Division. Material and Energy Flows in the Production of Cellulosic Feedstocks for Biofuels for the GREET™ Model. ANL/ESD-13/9.

⁷ Cai, H. et. al. 2013. Life-cycle energy use and greenhouse gas emissions of production of bioethanol from sorghum in the United States. *Biotechnology for Biofuels* 6:141.

⁸ U.S. Department of Agriculture, Economic Research Service. February, 1997. Farm Business Economic Indicator Updates: Costs of Production, FBEI 97-1, February, 1997.

dilute-acid pretreatment, enzymatic saccharification, and co-fermentation.⁹ NREL's simulation was conducted using the Aspen Plus process modeling software.

- The U. S. Environmental Protection Agency (U.S. EPA) published the results of simulations of the energy needed to produce ethanol from sorghum as part of a formal rulemaking under 40 CFR Part 80.¹⁰ These simulations were carried out by the U.S. Department of Agriculture, and drew on prior simulations of the corn ethanol production process. All simulations were carried out using Aspen process modeling software.
- The energy requirements of producing ethanol from sugar cane were drawn in part from an article by Seabra et al. entitled "Life cycle assessment of Brazilian sugarcane products: GHG emissions and energy use."¹¹

- Feedstock and Fuel Transport

ANL describes the updates it has made to the transportation LCI data in the GREET model in a 2013 paper.¹² Revisions to the energy intensity and emissions associated with locomotives, pipelines, heavy-duty trucks, ocean-going vessels, and barges are presented. The updates are based on information from the U.S. Department of Transportation, the U.S. Energy Information Administration, The U.S. EPA, Journal articles, and other sources.

- Emission Factors

- The U.S. EPA's Clearinghouse for Inventories and Emission Factors (Air CHIEF) CD ROM.¹³ The Air CHIEF CD contains emission factors and software tools designed to assist with the estimation of emissions from a wide variety of stationary and point sources. It contains Volume I of the Agency's Compilation of Air Pollutant Emission Factors (AP-42), and the latest National Emission Inventory documentation for criteria and hazardous air pollutants.
- ANL's "Updated Emission Factors of Air Pollutants from Vehicle Operations in GREETTM Using MOVES."¹⁴ This report documents ANL's approach to

⁹ National Renewable Energy Laboratory and Harris Group. May 2011. Process Design and Economics for Biochemical Conversion of Lignocellulosic Biomass to Ethanol. Technical Report NREL/TP-5100-47764.

¹⁰ U. S. Environmental Protection Agency. December 17, 2012. Supplemental Determination for Renewable Fuels Produced Under the Final RFS2 Program From Grain Sorghum. 40 CFR Part 80.

¹¹ Seabra, JEA et. al. 2011. Life cycle assessment of Brazilian sugarcane products: GHG emissions and energy use. *Biofuels, Bioproducts, and Biorefining* 5(5):519-532.

¹² Dunn, J.B. et. al. October 7, 2013. Update to Transportation Parameters in GREETTM.

¹³ U.S. Environmental Protection Agency, Emission Factor and Inventory Group. 2005. Clearinghouse for Inventories and Emission Factors (Air CHIEF), Version 12.0 (on CD-ROM). EPA/454/C-05/001-CD.

¹⁴ Cai, H. et. al. Energy Assessment Section, Energy Systems Division, Argonne National Laboratory. September 2013.

- updating gasoline and diesel vehicle emission factors to account for changes in engine technology and fuel specifications; deterioration of emission control devices with vehicle age; implementation of emission control inspection and maintenance programs; and the adoption of advanced emission control technologies, such as second-generation onboard diagnostics (OBD II), selective catalytic reduction, diesel particulate filters, and diesel oxidation catalysts. To best capture the effects of these factors, ANL used the U.S. EPA's latest mobile-source emission factor model, the Motor Vehicle Emission Simulator (MOVES). Previously, vehicular emission factors were estimated using the U.S. Environmental Protection Agency's MOBILE6.2 and the California Air Resources Board's EMFAC models.
- The 2010 baseline tailpipe emission factors for CARBOB, CaRFG, and ULSD in the model are from the following sources. CO₂ emissions for these fuels were calculated based on the carbon content, assuming complete combustion to CO₂, and corrected for carbon emitted as CH₄.
 - CH₄ and N₂O tailpipe emission factors for gasoline-powered light- and heavy-duty vehicles were derived from ARB's GHG Emission Inventory.¹⁵
 - CH₄ and N₂O tailpipe emission factors for light- and heavy-duty diesel vehicles are also from ARB's GHG Emission Inventory.¹⁶
 - Tailpipe emission factors for CNG-powered light- and heavy-duty trucks are from the U.S. Environmental Protection Agency's Emission Inventory.¹⁷
 - Tailpipe emission factors for LNG-powered heavy duty LNG trucks are from U.S. Environmental Protection Agency Emission Inventory.¹⁸
 - The guidelines issued by the Intergovernmental Panel on Climate Change (IPCC) on performing national greenhouse gas inventories.¹⁹ These guidelines provide detailed instructions on the preparation of national GHG inventories, as well as GHG emission factors that can be used in the preparation of those inventories. The CA-GREET 2.0 model utilizes many of these factors (e.g., N₂O emissions from agriculture).

¹⁵ California Air Resources Board. May 2014. California's 2000-2012 Greenhouse Gas Emissions Inventory Technical Support Document.

¹⁶ California Air Resources Board. May 2014. California's 2000-2012 Greenhouse Gas Emissions Inventory Technical Support Document.

¹⁷ U.S. Environmental Protection Agency. 2014b. Emission Factors for Greenhouse Gas Inventories: <http://www.epa.gov/climateleadership/documents/emission-factors.pdf>.

¹⁸ U.S. Environmental Protection Agency. 2014b. Emission Factors for Greenhouse Gas Inventories: <http://www.epa.gov/climateleadership/documents/emission-factors.pdf>.

¹⁹ Eggleston, S. et. al. 2006. 2006 IPCC Guidelines for National Greenhouse Gas Inventories. Intergovernmental Panel on Climate Change.

- Emissions from the generation of grid electricity are calculated using regional electrical generation energy mixes (e.g., natural gas, coal, wind, etc.) from the U.S. EPA's Emissions and Generation Resource Integrated Database (eGRID).²⁰ The CA GREET uses energy mixes from the 26 eGRID subregions.

In order to calculate a single aggregate carbon intensity value for all greenhouse gas emissions occurring throughout the WTW life cycle, the atmospheric heat trapping potential of all greenhouse gases must be expressed in standardized additive units. Under the LCFS, all greenhouse gas species other than CO₂ are converted to CO₂ equivalent (CO₂e) values. These conversions are accomplished using global warming potential (GWP) indices developed by the Intergovernmental Panel on Climate Change (IPCC).²¹ CH₄ and N₂O are converted to a CO₂-equivalent basis using IPCC GWP values for inclusion in the total pathway carbon intensity. The IPCC GWP indices function as multipliers: CH₄ emissions, for example, are multiplied by 25. The 2007 IPCC GHG CO₂e values for the GHG emissions included in LCFS fuel pathways are 1 for CO₂, 25 for CH₄, and 298 for N₂O.

CA GREET 2.0 assumes that VOC and CO are converted to CO₂ in the atmosphere. It therefore, includes these pollutants in the total CO₂ value using ratios of the appropriate molecular weights. The ratio of the molecular weight of carbon to the molecular weight of CO₂ is $12/44 = 0.273$. The CO₂e values of VOCs and CO are, therefore, $0.85/0.273 = 3.12$, and $0.43/0.273 = 1.57$, respectively.

CA-GREET 2.0 is a modified version of GREET1 2013.²² Michael Wang and his team at ANL developed GREET1 2013. The software platform for both models is Microsoft Excel. The process of converting ANL's model to a California-specific version consisted primarily of adding the necessary California-specific LCI data and emission factors. A comprehensive list of revisions is maintained on the **CA-GREET 2.0 Model and Documentation** website at <http://www.arb.ca.gov/fuels/lcfs/ca-greet/ca-greet.htm>. Among those revisions are the following:

- Crude oil recovery efficiency was modified to reflect the values specific to the average crude used in California, including crude that is both produced in, and imported into, the State;
- Tailpipe CH₄ and N₂O emission factors were adapted for California vehicles where available, in light of the fact that California has stricter vehicle emissions standards than were assumed in developing GREET1 2013;

²⁰ U.S. Environmental Protection Agency, 2014a. Emissions and Generation Resource Integrated Database (eGRID); Ninth Edition, Version 1.0: 2010 data.

²¹ Solomon, S. et. al. "Climate Change 2007: The Physical Science Basis," Technical Summary, Contribution of Working Group I to the Fourth Assessment Report of the Intergovernmental Panel on Climate Change. In: Cambridge University Press, Cambridge, UK, and New York, USA, 2007.

²² Systems Assessment Section, Center for Transportation Research, Argonne National Laboratory, 2013. Greenhouse Gases, Regulated Emissions, and Energy Use in Transportation Model (GREET 1 2013).

- The U.S. EPA’s eGRID²³ was the source of the grid electricity generation energy mixes used in CA-GREET 2.0. An electrical energy generation mix is the mix of energy sources (e.g., natural gas, coal, hydroelectric dams, etc.) used to generate the electricity provided to a regional electrical grid.

A. Tier 1 and Tier 2 Fuels

Proposed section 95488 provides for the establishment of fuel pathways for two categories of transportation fuels. The first—“Tier 1”—includes conventionally produced, first-generation fuels, and the second—“Tier 2”—includes fuels produced using emerging technologies and/or innovative production methods such as low-CI sources of process energy. Under the Tier 1 process, applicants calculate their pathway CIs using the custom CI calculator found in the “T1 Calculator” tab of CA-GREET 2.0. That calculator computes pathway CIs using only the base set of input parameters that determine a Tier 1 pathway CI. Those parameters are discussed below.

In general, Tier 1 fuels are produced using mature production technologies and have been in use under the LCFS for at least three years. Tier 2 fuels have been in full commercial production for a relatively short period of time, and are relatively new to the LCFS.

Tier 1 fuels include, but are not limited to:

- Starch- and sugar-based ethanol,
- Biodiesel produced from conventional feedstocks (including but not limited to plant oils, tallow and related animal wastes, and used cooking oil),
- Renewable diesel produced from conventional feedstocks (including but not limited to plant oils, tallow and related animal wastes, and used cooking oil),
- Natural gas, and
- Biomethane from landfill gas.

Tier 2 fuels include, but are not limited to:

- Cellulosic alcohols;
- Biomethane from sources other than landfill gas;
- Hydrogen;
- Electricity, whether from dedicated, low CI energy sources, or (as discussed below) from the public grid;

²³ U.S. Environmental Protection Agency, 2014a. Emissions and Generation Resource Integrated Database (eGRID); Ninth Edition, Version 1.0: 2010 data.

- Drop-in fuels (renewable hydrocarbons, except for renewable diesel²⁴);
- Tier 1 fuels produced using one or more innovative production methods.

The innovative production methods that could move a Tier 1 fuel into the Tier 2 category include, but are not limited to:

- Use of one or more low-CI process energy sources. Innovative, low-CI energy sources include, but are not limited to, the following:
 - Low-CI biomass, such as organic agricultural or municipal wastes;
 - Renewable electricity from a dedicated (non-grid) form of generation, such as wind turbines and photovoltaic arrays;
- Use of unconventional feedstocks such as algal oil;
- Carbon capture and sequestration; and
- Production process innovations that improve production efficiency such that GHGs emitted per mega joule of fuel energy produced is significantly reduced.

For a low-CI process energy source to qualify as an innovative method (and move a fuel pathway into the second Tier), energy from that source must be directly consumed in the production process. No indirect accounting mechanisms, such as the use of renewable energy certificates, can be used to reduce an energy source's CI. Staff developed separate application processes for Tier 1 and Tier 2 to expedite the processing of Tier 1 pathway applications. Figure 2 summarizes the Tier 1 and Tier 2 application processes in the form of a flow diagram. Having processed numerous applications for first-generation pathways during the initial five years of LCFS implementation, staff is very familiar with this category of fuels. The Tier 1 process builds upon that familiarity by providing applicants with a more direct route to pathway certification. In addition to providing applicants with a simplified and accelerated route to pathway certification, the Tier 1 process provides staff with more time to focus on the challenges of evaluating Tier 2 applications. Under the Tier 1 process, applicants calculate their pathway CIs using the custom CI calculator found in the "T1 Calculator" tab of CA-GREET 2.0. That calculator computes pathway CIs using only the base set of input parameters that determine a Tier 1 pathway CI. That base set includes, but is not limited to:²⁵

- Electrical energy generation mixes for the feedstock and fuel production phases. An electrical energy generation mix is the mix of energy sources (e.g., natural gas, coal, hydroelectric dams, etc.) used to generate the electricity provided to a regional electrical grid.

²⁴ Renewable diesel is an established fuel that has been in production since before the implementation of the LCFS began.

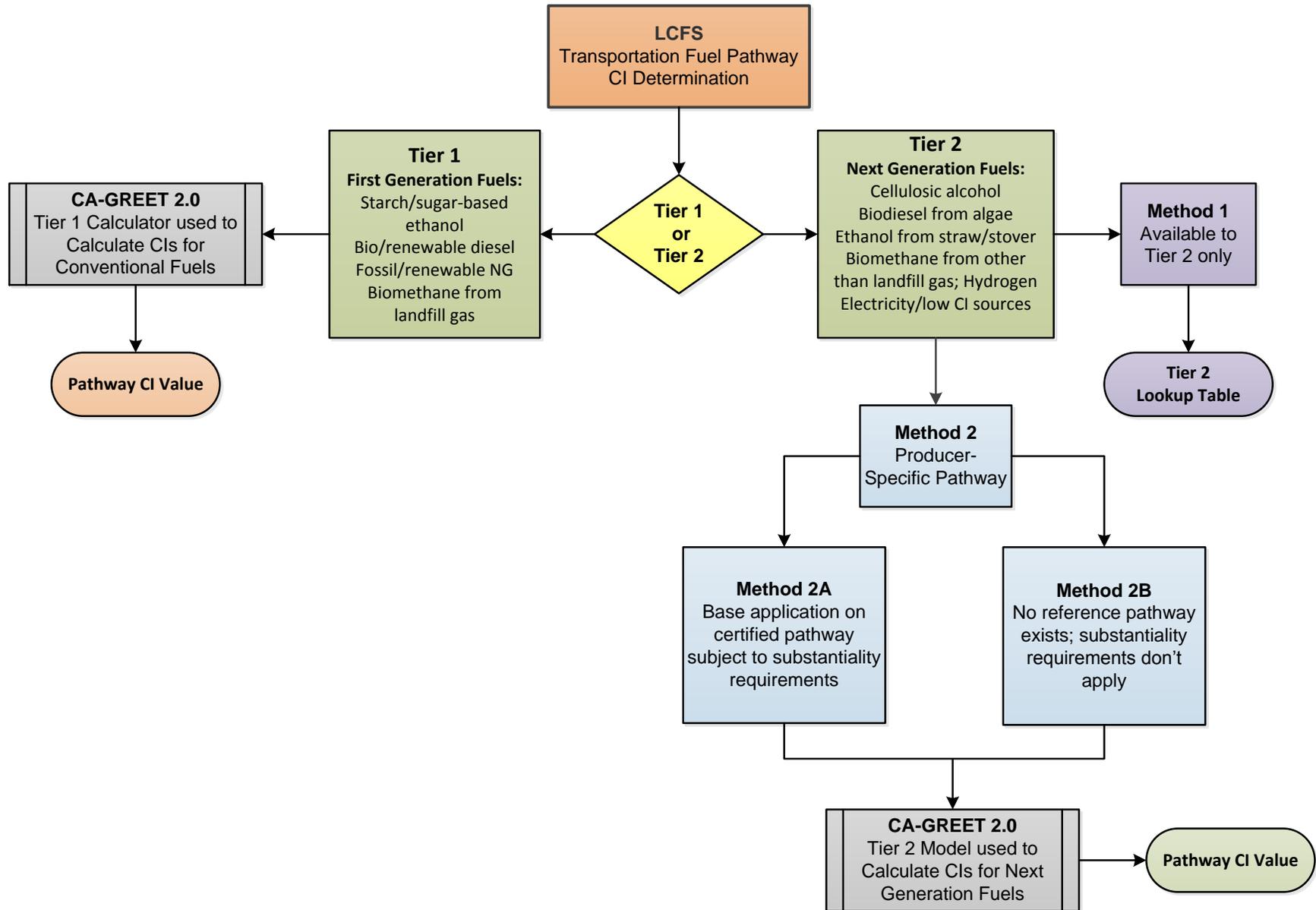
²⁵ Feedstock phase inputs except those associated with agriculture may be input into the Tier 1 calculator. Pending the development of an LCFS agricultural auditing and certification program, agricultural inputs are invariant.

- Crude oil region. Domestic crudes receive the U.S. average CI. Foreign crudes receive region-specific CIs.
- Feedstock and fuel production thermal energy sources (natural gas, coal, biomethane, etc.).
- Feedstock and fuel production chemical use
- Fuel production energy use.
- Fuel yield.
- Feedstock and fuel transport modes and distances.
- Co-product yields.

Tier 2 applicants use CA-GREET 2.0 in much the same way that they use the current LCFS direct CI model, CA-GREET 1.8b.²⁶ Tier 2 applicants seeking a pathway under either Method 2A or 2B have access to all applicable worksheets and input parameters in the CA- GREET 2.0 spreadsheet. With the exception of upstream agricultural inputs and grid electricity energy mixes, applicants must provide producer-specific inputs for all unit operations. Aside from agricultural inputs and grid electricity mixes, the default values available in CA-GREET 2.0 may not be used without Executive Officer approval. Producer-specific Input parameter choices must be adequately documented. In order to certify a Method 2 pathway, the Executive Officer must be able to verify all CA-GREET 2.0 inputs, and to replicate the pathway CI calculated by the applicant.

²⁶ Systems Assessment Section, Center for Transportation Research, Argonne National Laboratory and California Air Resources Board Staff, December 2009. California-Modified Greenhouse Gases, Regulated Emissions, and Energy Use in Transportation Model (CA-GREET) version 1.8b.

Figure 2. Tier 1 and Tier 2 Fuel Pathway Flow Diagram



III. RESULTS

Using the CA-GREET model, CIs are calculated on a full life cycle basis. This means that the CI value assigned to each fuel reflects the GHG emissions associated with the fuel's production, transport, storage, and use. As previously stated, the CA-GREET model accounts for direct effects only.

Tables 1 and 2 from the proposed LCFS regulation provide direct life cycle CIs for a subset of regulated fuels. Table 1 includes California reformulated blendstock for oxygenate blending (CARBOB) and selected fuels that substitute for it, while Table 2 includes ultra-low sulfur diesel and selected fuels that substitute for it.

Table 1. Carbon Intensity Lookup Table for Gasoline and Fuels that Substitute for Gasoline¹

Fuel	Pathway Identifier	Pathway Description	Carbon Intensity Values (gCO ₂ e/MJ)		
			Direct Emissions	Land Use or Other Indirect Effect	Total
CARBOB	CBOB001	CARBOB - based on the average crude oil supplied to California refineries and average California refinery efficiencies	100.58	0	100.58
Compressed Natural Gas	CNG005	Biomethane produced from the high-solids (greater than 15 percent total solids) anaerobic digestion of food and green wastes; compressed in CA	-34.70	0	-34.70
	CNG020	Biomethane produced from the mesophilic anaerobic digestion of wastewater sludge at a California publicly owned treatment works; on-site, high speed vehicle fueling or injection of fuel into a pipeline for off-site fueling; export to the grid of surplus cogenerated electricity.	7.80	0	7.80
	CNG021	Biomethane produced from the mesophilic anaerobic digestion of wastewater sludge at a California publicly owned treatment works; on-site, high speed vehicle fueling or injection of fuel into a pipeline for off-site fueling.	30.98	0	30.98
Electricity	ELC002	Grid electricity	105.62	0	105.62
Hydrogen	HYGN001	Compressed H ₂ from central reforming of NG (includes liquefaction and re-gasification steps)	152.48	0	152.48
	HYGN002	Liquid H ₂ from central reforming of NG	144.95	0	144.95
	HYGN003	Compressed H ₂ from central reforming of NG (no liquefaction and re-gasification steps)	105.91	0	105.91
	HYGN004	Compressed H ₂ from on-site reforming of NG	105.65	0	105.65
	HYGN005	Compressed H ₂ from on-site reforming with renewable feedstocks	81.92	0	81.92

¹Pathways available to Tier 2 applicants.

Table 2. Carbon Intensity Lookup Table for Diesel and Fuels that Substitute for Diesel¹

Fuel	Pathway Identifier	Pathway Description	Carbon Intensity Values (gCO ₂ e/MJ)		
			Direct Emissions	Land Use or Other Indirect Effect	Total
Diesel	ULSD001	ULSD - based on the average crude oil supplied to California refineries and average California refinery efficiencies	102.82	0	102.82
Compressed Natural Gas	CNG005	Biomethane produced from the high-solids (greater than 15 percent total solids) anaerobic digestion of food and green wastes; compressed in CA	-34.70	0	-34.70
	CNG020	Biomethane produced from the mesophilic anaerobic digestion of wastewater sludge at a California publicly owned treatment works; on-site, high speed vehicle fueling or injection of fuel into a pipeline for off-site fueling; export to the grid of surplus cogenerated electricity.	7.80	0	7.80
	CNG021	Biomethane produced from the mesophilic anaerobic digestion of wastewater sludge at a California publicly owned treatment works; on-site, high speed vehicle fueling or injection of fuel into a pipeline for off-site fueling.	30.98	0	30.98
Electricity	ELC002	Grid electricity	105.62	0	105.62
Hydrogen	HYGN001	Compressed H ₂ from central reforming of NG (includes liquefaction and re-gasification steps)	152.48	0	152.48
	HYGN002	Liquid H ₂ from central reforming of NG	144.95	0	144.95
	HYGN003	Compressed H ₂ from central reforming of NG (no liquefaction and re-gasification steps)	105.91	0	105.91
	HYGN004	Compressed H ₂ from on-site reforming of NG	105.65	0	105.65
	HYGN005	Compressed H ₂ from on-site reforming with renewable feedstocks	81.92	0	81.92

¹ Pathways available to Tier 2 applicants.

IV. CONCLUSION

Based on staff's assessment of available life cycle inventory sources, emissions, and efficiency data, ARB staff concludes that the assumptions and inputs used in CA-GREET 2.0 to calculate direct life cycle fuel CIs are reasonable and the model was applied appropriately under the LCFS.

V. REFERENCES

References are listed according to the corresponding footnote in the staff report.

1. California Air Resources Board. December 2014. Staff Report: Initial Statement of Reasons for Proposed Rulemaking. Proposed Re-Adoption of the Low Carbon Fuel Standard. State of California Air Resources Board. Industrial Strategies Division. <http://www.arb.ca.gov/regact/2015/lcfs2015/lcfs15isor.pdf>.
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APPENDIX A

Notice of Intent and Request Memorandum for Peer Review

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Air Resources Board



Matthew Rodriguez
Secretary for
Environmental Protection

Mary D. Nichols, Chairman
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Edmund G. Brown Jr.
Governor

TO: Gerald W. Bowes, Ph.D., Manager
Cal/EPA Scientific Peer Review Program

FROM: Michael S. Waugh, Chief *f. Agui for mw*
Transportation Fuels Branch

DATE: November 19, 2014

SUBJECT: NOTICE OF INTENT – REQUEST FOR EXTERNAL PEER REVIEW
OF STAFF'S METHODOLOGY IN CALCULATING CARBON INTENSITY
VALUES AND USE OF THREE LOW CARBON FUEL STANDARD
LIFE CYCLE GREENHOUSE GAS EMISSIONS MODELS

By way of this memorandum, California Air Resources Board (ARB/Board) staff submits a notice of intent to submit a request for external peer review of staff's analysis of three Low Carbon Fuels Standard (LCFS) life cycle greenhouse gas (GHG) emissions models.

The information provided in this notice will allow the University of California to contact reviewer candidates. The final request for review will be sent by December 9, 2014.

BACKGROUND

The Board approved the LCFS regulation in 2009 as part of its effort to implement the Global Warming Solutions Act or Assembly Bill (AB) 32. AB 32 requires reductions in GHG emissions from all sectors of the economy in California to 1990 levels by 2020. The LCFS regulation is an early action measure under AB 32 that targets a ten percent reduction in GHG emissions from the use of transportation fuels in California by 2020.

For the LCFS, GHG emissions associated with a transportation fuel are represented by the fuel's carbon intensity (CI). The CI is calculated by conducting a full life cycle analysis starting from the recovery and transport of feedstock, transformation to fuel, transport to a retail filling station, and final use in a vehicle. Gasoline and diesel comprise the baseline fuels under the LCFS. Fuels that substitute for gasoline and diesel include compressed natural gas, liquefied natural gas, electricity, biofuels, and hydrogen. The regulation requires that the average CI from all transportation fuels, including gasoline and diesel fuel substitutes, meet the ten percent reduction target by 2020.

The energy challenge facing California is real. Every Californian needs to take immediate action to reduce energy consumption. For a list of simple ways you can reduce demand and cut your energy costs, see our website: <http://www.arb.ca.gov>.

California Environmental Protection Agency

Staff used the following three models to calculate CI values of transportation fuels:

- California Greenhouse Gases, Regulated Emissions, and Energy Use in Transportation (CA-GREET) model
- Oil Production Greenhouse Gas Emissions Estimator (OPGEE) model
- Global Trade Analysis Project (GTAP-BIO) model combined with the Agro-Ecological Zone Emissions Factor (AEZ-EF) model

The estimated CI values using these three models determine the reductions or increases in GHG emissions of each fuel under the LCFS relative to the baseline fuels (gasoline and diesel). Therefore, staff directed significant effort to develop these models in order to estimate the CIs of all transportation fuels likely to be used in California. The CIs for all fuels, with their corresponding projected volumes, were used to estimate potential reductions in GHG emissions under the LCFS. Such an analysis forms an integral part of the work to assess the likelihood of fuels (with their associated GHG emissions) meeting the mandated CI reduction targets under the LCFS.

CA-GREET

Traditional life cycle analyses use a well-to-wheels (WTW) or seed-to-wheel approach to calculate the CI of a transportation fuel. Staff used the peer-reviewed Greenhouse Gases, Regulated Emissions, and Energy Use in Transportation (GREET) model as a basis to estimate CIs for all fuels under the LCFS. The GREET approach uses the energy use and corresponding GHG emissions from each step starting from recovery of the feedstock to final use in a vehicle to calculate a CI for a given transportation fuel. This model was chosen since it is widely used by other agencies, numerous academics and researchers, and is considered to be the gold standard for life cycle analysis of transportation fuels. The GREET model was modified to account for California-specific factors and labeled “CA-GREET.” This model is used to calculate the CIs from direct emissions for all of transportation fuels used in the LCFS.

OPGEE

A portion of the CI of gasoline and diesel baseline fuels are the emissions associated with producing and transporting crude oil to a refinery. ARB contracted with Stanford University to develop the Oil Production Greenhouse Gas Emissions Estimator (OPGEE) model. The OPGEE model is used to estimate the CI of all crudes supplied to California refineries. These “well-to-refinery-entrance-gate” emissions estimated by OPGEE can vary significantly depending on the method of production and field-specific

production parameters. The CIs calculated using the OPGEE model are combined with the appropriate CIs from the CA-GREET model to calculate a total life cycle CI for gasoline and diesel.

GTAP-BIO and AEZ-EF

Traditionally, approaches as detailed above have been utilized in calculating the CI of a fuel and are termed “direct emissions.” However, biofuels derived from crop-based feedstock have contributions in addition to direct emissions. The current mandates for production of biofuels in the United States, the European Union, and other jurisdictions have led to the diversion of crop-based feedstocks to produce biofuels. This has either led to the conversion of previously undisturbed land to agricultural land to meet the additional demand to grow the biofuel crop or to the reduction in the rate of reversion of cropland to native grassland or forest. This effect is termed “indirect land use change” (iLUC) and the emissions attributable to iLUC are termed “iLUC emissions.” iLUC emissions are combined with the corresponding direct emissions to calculate a total CI for a given crop-based biofuel.

For the LCFS, land cover changes were estimated using an economic model called Global Trade Analysis Project (GTAP-BIO) which was developed and modified by Purdue University. The land cover changes estimated by the GTAP-BIO model was mapped to corresponding carbon emission factors in the Agro-Ecological Zone Emissions Factor (AEZ-EF) model to produce iLUC emissions for a given biofuel. The AEZ-EF model was developed by the University of California (UC), Berkeley, UC Davis, and the University of Wisconsin, Madison. In addition, staff contracted with UC Berkeley to develop Monte Carlo Analysis to estimate uncertainty in iLUC estimates.

REQUEST | PROJECT GOALS

ARB staff requests external peer review of staff’s analysis of the following three models used to calculate CIs of transportation fuels under the LCFS:

- CA-GREET model
- OPGEE model
- GTAP-BIO and AEZ-EF models

1. Materials to be reviewed and approximate page numbers: The reports are currently being finalized. Page numbers provided below are approximations.

a. **Report on CA-GREET Model** by ARB – *50 pages required*

The report consists of staff's methodology in calculating fuel pathway CI values and use of the CA-GREET model, including life cycle inventory data, emission factors, and process efficiency values used. The report also includes staff's findings and conclusions based on the results of the model.

b. **Report on OPGEE Model** by ARB – *50 pages required*

The report consists of staff's methodology in calculating CI values of crude oil used by California refineries and use of the OPGEE model, including staff's methodology in calculating California annual crude average CI values. The report also consists of staff's findings and conclusions based on the results of the model.

c. **Report on GTAP-BIO and AEZ-EF Models** by ARB – *100 pages required*

The report consists of staff's methodology in calculating indirect land use change emissions and CI values for crop-based biofuels and use of the GTAP-BIO and AEZ-EF models. The report also includes staff's findings and conclusions based on the results of the models.

2. Specific expertise requirements

a. **CA-GREET**: Life cycle analysis of transportation fuels.

A minimum of two reviewers would be adequate. Reviewers must be familiar with well-to-wheel life cycle analysis related to transportation fuels. Experience with the GREET model is optional.

b. **OPGEE**: Life cycle analysis of crude oil production methods.

A minimum of two reviewers would be adequate. Reviewers must be familiar with crude oil production, developing models for GHG life cycle assessments of crude production, and the application of life cycle analysis models for the assessment of crude production emissions.

- c. **GTAP-BIO and AEZ-EF**: Economic modeling of agricultural impacts, including general expertise with global economic models used to estimate indirect land use effects, carbon emissions inventory, and release of carbon emissions from land conversion.

A minimum of three reviewers would be adequate. Collectively, reviewers must have expertise in the following areas: econometric modeling, dynamics of land cover change, carbon emissions, and uncertainty analysis. For uncertainty analysis, reviewers must be familiar with Monte Carlo simulations. Reviewers must also be familiar with the GTAP model (or similar computable general equilibrium model), its database, application of economic models to estimate land conversions, protocols established by the Intergovernmental Panel on Climate Change or other global agencies for GHG accounting and carbon dynamics in various ecosystems, and changes in carbon stocks resulting from land conversion.

- 3. Estimated date material will be ready for review:** Peer review material will be available to send by December 16, 2014.
- 4. Completion date for reviews:** Allow at least 30 days for review. Timing of this review is critical given the legal mandate to complete the peer review before completion of the rulemaking to establish the LCFS regulation.

The proposed LCFS regulation is currently scheduled to be presented to the Board on February 19, 2015. The final Board hearing to take action for approval is currently scheduled on July 23, 2015. Therefore, the proposed schedule is below:

- Peer Review – December 16, 2014 to January 30, 2015
 - ARB Hearing (Board takes no approval action) – February 19, 2015
 - ARB Hearing (Board may approve resolution) – July 23, 2015
- 5. Relationship of review material to regulation development:** The peer review of staff's analysis of the CA-GREET, OPGEE, and GTAP-BIO and AEZ-EF models are in support of the proposed LCFS regulation.

6. Names of Participants Involved

Air Resources Board

Michael Waugh
John Courtis
Anil Prabhu
Farshid Mojaver
Kamran Adili
James Duffy
Wesley Ingram
Kevin Cleary
Hafizur Chowdhury
Todd Dooley
Anthy Alexiades
Chan Pham
Ronald Oineza
Kamal Ahuja
James Aguila
Aubrey Gonzalez

University of California, Berkeley

Mike O'Hare
Richard Plevin (currently with University of California, Davis)
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Avery Cohn
Dan Kammen
Yang Ruan
Niels Tomijima
Bianca Taylor

Gerald W. Bowes
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Massachusetts Institute of Technology

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Argonne National Laboratory

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Andrew Burnham

Stanford University

Adam Brandt
Kourosh Vafi
Scott McNally

Shell Corporation

Hassan El-Houjeiri

International Council on Clean Transportation

Chris Malins

University of Toronto

Heather MacLean

University of Calgary

Joule Bergerson

Life Cycle Associates, Inc.

Stefan Unnasch
Brent Riffel
Larry Waterland
Jenny Pont

If you have any questions regarding this notice, please contact Jim Aguila, Manager, Substance Evaluation Section at (916) 322-8283 or by email at jaguila@arb.ca.gov, or Aubrey Gonzalez, Air Resources Engineer, Substance Evaluation Section at (916) 324-3334 or by email at agonzale@arb.ca.gov.

Thank you for your time and consideration.

Gerald W. Bowes
November 19, 2014
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cc: Jim Aguila, Manager
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Industrial Strategies Division

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Air Resources Board



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Edmund G. Brown Jr.
Governor

TO: Gerald W. Bowes, Ph.D., Manager
Cal/EPA Scientific Peer Review Program

FROM: Jim M. Aguila, Chief 
Program Planning and Management Branch

DATE: January 21, 2015

SUBJECT: REQUEST FOR EXTERNAL PEER REVIEW OF STAFF'S
METHODOLOGY IN CALCULATING FUEL CARBON INTENSITIES
AND USE OF THREE LIFE CYCLE GREENHOUSE GAS EMISSIONS
MODELS

By way of this memorandum, California Air Resources Board (ARB/Board) staff requests external peer review of the following:

1. *Staff Report: Calculating Life Cycle Carbon Intensity of Transportation Fuels in California*
2. *Staff Report: Calculating Carbon Intensity Values of Crude Oil Supplied to California Refineries*
3. *Staff Report: Calculating Carbon Intensity Values from Indirect Land Use Change of Crop-Based Biofuels*

The reports describe staff's methodology for calculating carbon intensity (CI) values with the use of three life cycle greenhouse gas (GHG) emissions models. Fuel CI is measured on a life cycle basis and represents the equivalent amount of carbon dioxide (CO₂e) emitted over all stages of the fuel's life, from production, to transport, and to use in a motor vehicle. Depending on the fuel, GHG emissions from each step may include carbon dioxide (CO₂), methane, nitrous oxide, and other GHG contributors. The overall GHG contribution from each step may be expressed as a function of the energy that the fuel contains. Thus, CI is expressed in terms of grams CO₂ equivalent per megajoule (CO₂e/MJ). In preparing each report referenced above, staff used the following life cycle GHG emissions model(s) to calculate fuel CI values, respectively:

1. California Greenhouse Gases, Regulated Emissions, and Energy Use in Transportation (CA-GREET) Model
2. Oil Production Greenhouse Gas Emissions Estimator (OPGEE) Model

The energy challenge facing California is real. Every Californian needs to take immediate action to reduce energy consumption. For a list of simple ways you can reduce demand and cut your energy costs, see our website: <http://www.arb.ca.gov>.

California Environmental Protection Agency

3. Global Trade Analysis Project (GTAP-BIO) Model combined with the Agro-Ecological Zone Emissions Factor (AEZ-EF) Model

For each review topic identified below, staff suggests the following number of reviewers and areas of expertise:

1. Life Cycle Carbon Intensity: Life cycle analysis of transportation fuels.

A minimum of two reviewers who are familiar with well-to-wheel life cycle analysis related to transportation fuels. Experience with the CA-GREET model is optional.

2. Crude Oil Carbon Intensity: Life cycle analysis of crude oil production methods.

A minimum of two reviewers who are familiar with crude oil production, developing models for GHG life cycle assessments of crude production, and the application of life cycle analysis models for the assessment of crude production emissions.

3. Indirect Land Use Change: Economic modeling of agricultural impacts, including general expertise with global economic models used to estimate indirect land use effects, carbon emissions inventory, and release of carbon emissions from land conversion.

A minimum of three reviewers are requested for this complex review. Collectively, reviewers must have expertise in the following areas: econometric modeling, dynamics of land cover change, carbon emissions, and uncertainty analysis. For the uncertainty analysis, the reviewer must be familiar with Monte Carlo simulations. All reviewers must also be familiar with the GTAP model (or similar computable general equilibrium model), its database, application of economic models to estimate land conversions, protocols established by the Intergovernmental Panel on Climate Change or other global agencies for GHG accounting and carbon dynamics in various ecosystems, and changes in carbon stocks resulting from land conversion.

The specific charge or statement of work for each set of reviews is provided in Attachment 2. Peer review comments will be addressed by ARB staff in the final staff reports and submitted to the Board as part of the rulemaking to re-adopt the Low Carbon Fuel Standard (LCFS) regulation by July 2015. The proposed LCFS regulation is scheduled to be presented to the Board on February 19, 2015. The final Board hearing to take action for approval is currently scheduled on July 23, 2015.

Gerald W. Bowes
January 21, 2015
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The following attachments are enclosed:

1. Attachment 1 - Plain English Summary of Staff's Methodology In Calculating Fuel Carbon Intensities
2. Attachment 2 - Description of Scientific Bases to be Addressed by Peer Reviewers
3. Attachment 3 - List of Participants Associated with the Development of Fuel Carbon Intensities
4. Attachment 4 - References

The staff reports and other supporting documentation will be ready for review by **February 5, 2015**. Staff requests that the peer review be completed and comments from the reviewers be received by **March 10, 2015**.

If you have questions regarding this request, please contact Ms. Aubrey Gonzalez, Air Resources Engineer, Substance Evaluation Section at (916) 324-3334 or by email at aubrey.gonzale@arb.ca.gov.

Thank you for your time and consideration of this request.

Attachments (4)

cc: Aubrey Gonzalez, Air Resources Engineer
Substance Evaluation Section
Industrial Strategies Division

ATTACHMENT 1

Plain English Summary of Staff's Methodology in Calculating Fuel Carbon Intensities

Air Resources Board (ARB) staff prepared three reports entitled:

1. Staff Report: Calculating Life Cycle Carbon Intensity of Transportation Fuels in California
2. Staff Report: Calculating Carbon Intensity Values of Crude Oil Supplied to California Refineries
3. Staff Report: Calculating Carbon Intensity Values from Indirect Land Use Change of Crop-Based Biofuels

The reports describe staff's methodology for calculating fuel carbon intensity (CI) with the use of life cycle greenhouse gas (GHG) emissions models. CI is a measure of the GHG emissions per unit of energy of fuel and is measured in units of grams of carbon dioxide equivalent emissions per mega joule of fuel energy (gCO₂e/MJ).

The determination of fuel CI is fundamental to the reporting and compliance determination provisions of the Low Carbon Fuel Standard (LCFS) regulation.

1. Life Cycle Fuel Carbon Intensities

This section describes the basic methodology for calculating direct life cycle CIs for LCFS fuels. The basic analytical tool for identifying and combining the necessary fuel life cycle data and calculating the direct effects is the Greenhouse Gases, Regulated Emissions, and Energy Use in Transportation (GREET) model. Dr. Michael Wang, of the U.S. Department of Energy's Argonne National Laboratory, began developing the GREET model in 1996. Dr. Wang and his colleagues have updated the model several times since the publication of "*GREET 1.0 – Transportation Fuel Cycles Model: Methodology and Use*¹," which documented the development of the first GREET version of the model. GREET 2014 is the latest version of the model and was released on October 3, 2014.²

For purposes of Assembly Bill 1007 and the LCFS, the model was modified to better represent California conditions. The revised version of the Argonne model is referred to as the California-modified GREET (CA-GREET). Staff used the latest version (2.0) of the CA-GREET model to calculate life cycle CIs from direct emissions from transportation fuels in California.

¹ Wang, M. Q. *GREET 1.0-: Transportation Fuel Cycles Model: Methodology and Use*. Argonne, IL: Argonne National Laboratory, 1996.

² Argonne National Laboratory, U.S. Department of Energy. "GREET Model." Accessed December 12, 2014. <https://greet.es.anl.gov/>.

The CA-GREET model, like the original GREET model, was developed in Microsoft Excel. The CA-GREET Excel spreadsheet is publicly available at no cost. The model is a sophisticated computational spreadsheet, with thousands of inputs and built-in values that feed into the calculation of energy inputs, emissions, CIs, and other values.

In general, each fuel pathway is modeled in GREET as the sum of the GHG emissions resulting from the following sequence of processes:

- Feedstock production
- Feedstock transport, storage, and distribution (TSD)
- Fuel production
- Production of co-products
- Finished fuel TSD
- Fuel use in a vehicle

The CA-GREET modifications are mostly related to incorporating California-specific conditions, parameters, and data into the original GREET model. The major changes incorporated into the CA-GREET model are listed below:

- Marine and rail emissions reflect in-port and rail switcher activity with an adjustment factor for urban emissions;
- Natural gas transmission and distribution losses reflect data from California gas utilities;
- The fuel properties data for California Reformulated Gasoline Blendstocks for Oxygenate Blending (CARBOB), ultra-low sulfur diesel (ULSD), California reformulated gasoline, natural gas, and hydrogen were revised to reflect California-specific parameters;
- The electricity transmission and distribution loss factor was corrected to reflect California conditions; the electricity mix was also changed to reflect in-State conditions, both for average and marginal electricity mix;
- The California crude oil recovery efficiency was modified to reflect the values specific to the average crude used in California including crude that is both produced in, and imported into, the State;
- Crude refining for both CARBOB and ULSD was adjusted to reflect more stringent standards for these fuels in California;
- Tailpipe CH₄ and N₂O emission factors were adapted for California vehicles where available;
- The process efficiencies and emission factors for equipment were changed to reflect California-specific data; and
- Landfill gas to compressed natural gas (CNG) pathway was coded into the CA-GREET pathway.³

³ California Air Resources Board. *Proposed Regulation to Implement the Low Carbon Fuel Standard Staff Report: Initial Statement of Reasons, Volume I*. March 5, 2009. Pages IV-8–IV-10.

The basis of all fuel pathway CIs under the LCFS is the life cycle inventory (LCI) data contained in the CA-GREET 2.0 spreadsheet. LCI data quantifies the relevant energy, material, and waste flows into and out of the fuel production system. Emission factors and process efficiencies are also used to calculate CIs.

Staff used standard industry assumptions and best practices in applying the model. Examples of the LCI, emissions, and efficiency data found in CA-GREET 2.0 follow:

- *Agricultural Feedstock Production*
 - Argonne National Laboratory (ANL) describes the material and energy flows used in the six cellulosic pathways included in the GREET1 2013⁴ version of the model in a document entitled “*Material and Energy Flows in the Production of Cellulosic Feedstocks for Biofuels for the GREET™ Model.*”⁵ This document draws on multiple peer-reviewed journal articles and data from the U.S. Department of Agriculture (USDA), U.S. Department of Energy (DOE), National Renewable Energy Laboratory (NREL), U.S. Environmental Protection Agency (U.S. EPA), and other sources.
 - ANL provided background details on its updated life cycle analysis of sorghum ethanol in a 2013 paper entitled “*Life-cycle energy use and greenhouse gas emissions of production of bioethanol from sorghum in the United States.*”⁶ This paper draws on information from a wide variety of sources, including the USDA, the United Nations Food and Agricultural Organization, U.S. EPA, and other peer-reviewed literature.
 - The USDA’s Economic Research Service reported the results of a 1996 survey of sorghum producers.⁷ This report contained information on fertilizer, farm chemical, and on-farm fuel use.

- *Fuel Production*
 - NREL reported on its simulation of the process of converting corn stover to ethanol through dilute-acid pretreatment, enzymatic saccharification, and co-fermentation.⁸ NREL’s simulation was conducted using the Aspen Plus process modeling software.

⁴ Systems Assessment Section, Center for Transportation Researcher, Argonne National Laboratory, 2013.

⁵ Wang, Z. *et al.* *Material and Energy Flows in the Production of Cellulosic Feedstocks for Biofuels for the GREET™ Model.* Energy Systems Division, Argonne National Laboratory. October 2013.

⁶ Cai, H. *et al.* *Biotechnology for Biofuels. Life-cycle energy use and greenhouse gas emissions of production of bioethanol from sorghum in the United States.* 2013, 6:141.

⁷ U.S. Department of Agriculture. Economic Research Service. February 1997.

⁸ National Renewable Energy Laboratory and Harris Group. May 2011.

- U.S. EPA published the results of simulations of the energy needed to produce ethanol from sorghum as part of a formal rulemaking under 40 CFR Part 80.⁹ These simulations were carried out by USDA and drew on prior simulations of the corn ethanol production process. All simulations were carried out using Aspen process modeling software.
- The energy requirements of producing ethanol from sugar cane were drawn in part from an article entitled “*Life cycle assessment of Brazilian sugarcane products: GHG emissions and energy use.*”¹⁰

- *Feedstock and Fuel Transport*

ANL describes the updates it has made to the transportation LCI data in the GREET model in a 2013 paper (Dunn et al. October 7, 2013). Revisions to the energy intensity and emissions associated with locomotives, pipelines, heavy-duty trucks, ocean-going vessels, and barges are presented. The updates are based on information from the U.S. Department of Transportation, U.S. Energy Information Administration, U.S. EPA, Journal articles, and other sources.

- *Emission Factors*

- U.S. EPA’s Clearinghouse for Inventories and Emission Factors (Air CHIEF) CD ROM.¹¹ The Air CHIEF CD contains emission factors and software tools designed to assist with the estimation of emissions from a wide variety of stationary and point sources. It contains Volume I of the Agency’s Compilation of Air Pollutant Emission Factors (AP-4), and the latest National Emission Inventory documentation for criteria and hazardous air pollutants.
- ANL’s “Updated Emission Factors of Air Pollutants from Vehicle Operations in GREET™ using Motor Vehicle Emission Simulator (MOVES).”¹² This report documents ANL’s approach to updating gasoline and diesel vehicle emissions factors to account for changes in engine technology and fuel specifications; deterioration of emission control devices with vehicle age; implementation of emission control inspection and maintenance programs; and the adoption of advanced emission control technologies, such as second-generation onboard diagnostics (OBD II), selective catalytic reduction, diesel particulate filters, and diesel oxidation catalysts. To best capture the effects of these factors, ANL used the U.S. EPA’s latest mobile-source emission factor model, the MOVES.

⁹ U.S. Environmental Protection Agency. December 17, 2012

¹⁰ Seabra et al. *Life cycle assessment of Brazilian sugarcane products: GHG emissions and energy use.* 2011.

¹¹ U.S. Environmental Protection Agency, Emissions Factor and Inventory Group. 2005.

¹² Cai, et al. September 2013.

Previously, vehicular emission factors were estimated using the U.S. EPA's MOBILE6.2 and the California ARB's EMFAC models.

- The 2010 baseline tailpipe emission factors for CARBOB, California Reformulated Gasoline, and ULSD in the model are from the following sources: CO₂ emissions for these fuels were calculated based on the carbon content, assuming complete combustion to CO₂, and corrected for carbon emitted as CH₄.
- Tailpipe emission factors for CNG-powered light- and heavy-duty trucks are from the U.S. EPA's Emission Inventory.¹³
- Tailpipe emission factors for LNG-powered heavy duty LNG trucks are from U.S. EPA's Emission Inventory.¹⁴
- The guidelines issued by the Intergovernmental Panel on Climate Change (IPCC) on performing national greenhouse gas inventories.¹⁵ These guidelines provide detailed instructions on the preparation of national GHG inventories, as well as GHG emission factors that can be used in the preparation of those inventories. The GREET model utilizes many of these factors (e.g., N₂O emissions from agriculture).
- Emissions from the generation of grid electricity are calculated using regional electrical generation energy mixes (e.g., natural gas, coal, wind, etc.) from the U.S. EPA's Emissions and Generation Resource Integrated Database (eGRID).¹⁶ The CA-GREET uses energy mixes from the 26 eGRID subregions.

CA-GREET 2.0 is a modified version of the previously peer-reviewed GREET1 2013.¹⁷ Michael Wang and his team at ANL developed GREET1 2013. The software platform for both models is Microsoft Excel. The process for converting ANL's model to a California-specific version consisted primarily of adding the necessary California-specific LCI data and emission factors. A comprehensive list of revisions is maintained on the CA-GREET web site.¹⁸ Among those revisions are the following:

- Crude oil recovery efficiency was modified to reflect the values specific to the average crude used in California, including crude that is both produced in, and imported into, the State;
- Tailpipe CH₄ and N₂O emission factors were adapted for California vehicle where available, in light of the fact that California has stricter vehicle emissions standards than were assumed in developing GREET1 2013;

¹³ U.S. Environmental Protection Agency. 2014b.

¹⁴ U.S. Environmental Protection Agency. 2014b.

¹⁵ Eggleston *et al.* 2006.

¹⁶ U.S. Environmental Protection Agency. 2014a.

¹⁷ Systems Assessment Section, Center for Transportation Research, Argonne National Laboratory, 2013.

¹⁸ <http://www.arb.ca.gov/fuels/lcfs/ca-greet/ca-greet.htm>

- The U.S. EPA’s eGRID¹⁹ was the source of the grid electricity generation energy mixes used in CA-GREET 2.0. An electrical energy generation mix is the mix of energy sources (e.g., natural gas, coal, hydroelectric dams, etc.) used to generate the electricity provided to a regional electrical grid.

Based on staff’s assessment of available life cycle inventory sources, emissions, and efficiency data, ARB staff concludes that the assumptions and inputs used in CA-GREET 2.0 to calculate direct life cycle fuel CIs are reasonable and the model was applied appropriately under the LCFS.

2. Crude Oil Carbon Intensity Values

A portion of the CI of gasoline and diesel baseline fuels are the emissions associated with producing and transporting crude oil to a refinery. Staff used the previously peer-reviewed Oil Production Greenhouse Gas Emissions Estimator (OPGEE) model to calculate CIs of all crudes supplied to California refineries. These “well-to-refinery-entrance-gate” emissions estimated by OPGEE can vary significantly depending on the method of production and field-specific production parameters. The CIs calculated using the OPGEE model is combined with the appropriate CIs from the CA-GREET model to calculate a total life cycle CI for gasoline and diesel.

Staff used standard industry assumptions and best practices in applying the model. Figure 1 shows the main input parameter sheet used in OPGEE to estimate CI values for crude production and transport. Figure 1 also indicates whether the parameter is generally known or assumed, based on a smart default, or based on simple default. For each crude source, staff has searched available government, research literature, and internet sources to determine each of these inputs.

Figure 1: OPGEE Main Inputs Sheet

Bulk assessment - Data inputs			
Number of fields	1	Run Assessment	
1 Inputs			
Output variables		Unit	Default
1.1 Production methods			
Notes: Enter "1" where applicable and "0" where not applicable			
1.1.1	Downhole pump	NA	Known or 1
1.1.2	Water reinjection	NA	Known or 1
1.1.3	Gas reinjection	NA	Known or 1

¹⁹ U.S. Environmental Protection Agency, 2014a.

1.1.4	Water flooding	NA	Known or 0
1.1.5	Gas lifting	NA	Known or 0
1.1.6	Gas flooding	NA	Known or 0
1.1.7	Steam flooding	NA	Known or 0
1.2 Field properties			
1.2.1	Field location (Country)	NA	Known
1.2.2	Field name	NA	Known
1.2.3	Field age	yr.	Often Known
1.2.4	Field depth	ft	Often Known
1.2.5	Oil production volume	bbbl/d	Often Known
1.2.6	Number of producing wells	[-]	Known/Smart
1.2.7	Number of water injecting wells	[-]	Known/Smart
1.2.8	Well diameter	in	2.775
1.2.9	Productivity index	bbbl/psi-d	3
1.2.10	Reservoir pressure	psi	Smart
1.3 Fluid properties			
1.3.1	API gravity	deg. API	Known
1.3.2	Gas composition		
	N ₂	mol%	2.00
	CO ₂	mol%	6.00
	C ₁	mol%	84.00
	C ₂	mol%	4.00
	C ₃	mol%	2.00
	C ₄₊	mol%	1.00
	H ₂ S	mol%	1.00
1.4 Production practices			
Notes: Enter "NA" where not applicable			
1.4.1	Gas-to-oil ratio (GOR)	scf/bbl oil	Known/Smart
1.4.2	Water-to-oil ratio (WOR)	bbbl water/bbl oil	Known/Smart
1.4.3	Water injection ratio	bbbl water/bbl oil	Smart or NA
1.4.4	Gas lifting injection ratio	scf/bbl liquid	Smart or NA
1.4.5	Gas flooding injection ratio	scf/bbl oil	Smart or NA
1.4.6	Steam-to-oil ratio (SOR)	bbbl steam/bbl oil	Usually Known
1.4.7	Fraction of required electricity generated onsite	[-]	Known or 0.00
1.4.8	Fraction of remaining gas reinjected	[-]	Known or assumed
1.4.9	Fraction of produced water reinjected	[-]	Known or 1.00
1.4.10	Fraction of steam generation via cogeneration	[-]	Known or 0.00

1.5 Processing practices

1.5.1	Heater/treater	NA	Smart
1.5.2	Stabilizer column	NA	Smart
1.5.3	Application of AGR unit	NA	1
1.5.4	Application of gas dehydration unit	NA	1
1.5.5	Application of demethanizer unit	NA	1
1.5.6	Flaring-to-oil ratio	scf/bbl oil	Known/Smart
1.5.7	Venting-to-oil ratio	scf/bbl oil	0.00
1.5.8	Volume fraction of diluent	[-]	Known or 0.00

1.6 Land use impacts

1.6.1	Crude ecosystem carbon richness		
1.6.1.1	Low carbon richness (semi-arid grasslands)	NA	Assumed
1.6.1.2	Moderate carbon richness (mixed)	NA	Assumed
1.6.1.3	High carbon richness (forested)	NA	Assumed
1.6.2	Field development intensity		
1.6.2.1	Low intensity development and low oxidation	NA	0
1.6.2.2	Mod. intensity development and mod. oxidation	NA	1
1.6.2.3	High intensity development and high oxidation	NA	0

1.7	Non-integrated upgrader	NA	Known or 0
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1.8 Crude oil transport

1.8.1	Fraction of oil transported by each mode		
1.8.1.1	Ocean tanker	[-]	1
1.8.1.2	Barge	[-]	0
1.8.1.3	Pipeline	[-]	1
1.8.1.4	Rail	[-]	0
1.8.2	Transport distance (one way)		
1.8.2.1	Ocean tanker	Mile	Known
1.8.2.2	Barge	Mile	0
1.8.2.3	Pipeline	Mile	Known
1.8.2.4	Rail	Mile	0
1.8.3	Ocean tanker size, if applicable	Ton	250000

1.9	Small sources emissions	gCO ₂ eq/MJ	0.5
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Based on staff's assessment of available government, research literature, and internet sources for each crude source, ARB staff concludes that the assumptions and input parameters used in OPGEE to calculate CI values for crude oil production and transport are reasonable and the model was applied appropriately under the LCFS.

3. Indirect Biofuel Carbon Intensity Values

Current generation of biofuels are mostly derived from crop-based feedstocks (e.g., corn), which traditionally have been used for human consumption or as feed for livestock. The diversion of crops from food or feed markets to biofuel production creates an additional demand to produce the biofuel feedstock. Crop producers in the region which mandates the biofuel, either resort to crop switching (e.g., soybeans to corn) or convert new land to meet the new demand. Any demand that is not met locally²⁰ is transmitted to the global marketplace and met by production of the agricultural commodity or commodities in other countries. A direct consequence of this 'domino' effect is that new land areas are converted to grow crops. This unintended consequence is termed indirect Land Use Change (iLUC). Converting non-cropland to cropland leads to GHG emissions which are termed "iLUC emissions."

To estimate iLUC emissions, staff selected a global economic model developed by Purdue University called GTAP (Global Trade Analysis Project). In the iLUC analysis, the GTAP model was modified to account for biofuels and their co-products. This model, termed GTAP-BIO represents all sectors of the global economy in an aggregated form, and interactions among various sectors and resources are represented using various internal and external parameters. The model uses a baseline global equilibrium of all sectors in which supply equals demand in all sectors. The model is then "shocked" by increasing biofuel production by an appropriate volume. To meet this new requirement, the model allocates existing resources and also accounts for additional production of crops, ultimately ensuring a new global equilibrium is achieved. The changes in land uses (classified as forestry, pasture, cropland, and cropland-pasture in the model) computed by the model are then used in combination with a carbon emissions model called Agro-Ecological Zone Emission Factor (AEZ-EF) model to estimate the CO₂-equivalent emissions from land-use change.

The AEZ-EF model utilizes soil and biomass carbon stock data for different land types and regions of the world and calculates emission factors for land conversions. The model estimates the CO₂-equivalent GHG flows when land is converted from one type to the other (e.g., forest to cropland). The GHG flows are summed globally and divided by the total quantity of fuel produced to produce a value in grams CO₂e per megajoule of fuel (g CO₂e/MJ). Given the likely range of values for parameters that have the largest influence on model outputs, staff used a scenario approach that used different combinations of input values (within the range derived from literature review and expert

²⁰ Crop switching leads to local regions producing additional crop required for biofuel production at the expense of another crop not being grown. In the global marketplace, demand for crop that is not grown leads to a different region (or country) that converts new land to agricultural production to satisfy the demand for the crop that has been displaced.

opinion) to estimate output iLUC values for each set of input values. The output iLUC values (CIs) from all the scenario runs was then averaged and proposed to be used as indirect CI for that specific biofuel in the LCFS regulation. For the current analysis, staff has analyzed iLUC emissions for corn ethanol, sugarcane ethanol, soy biodiesel, canola biodiesel (also called rapeseed biodiesel), palm biodiesel, and sorghum ethanol. The original modeling results were published in 2009 and when the LCFS regulation was adopted, stakeholders raised the issue of uncertainty in the output values for iLUC. Staff, working with the University of California, developed a Monte Carlo approach for estimating total uncertainty of iLUC resulting from variability in individual parameters.

Since 2009, there have been numerous peer-reviewed publications, dissertations, and other scientific literature, that have focused on various aspects of indirect land use changes related to biofuels. Staff has reviewed published articles, contracted with academics, and consulted with experts, all of which have led to significant improvements to the GHG modeling methodologies and analysis completed in 2009.

Specific model and iLUC analysis updates in the current revised modeling include:

- Use of the GTAP 7 database and baseline data for 2004 (the 2009 analysis used a 2001 baseline),
- Addition of cropland pasture in the U.S. and Brazil,
- Re-estimated energy sector demand and supply elasticity values,
- Improved treatment of a corn ethanol co-product (distillers dried grains with solubles - DDGS),
- Improved treatment of soy meal, soy oil, and soy biodiesel,
- Modified structure of the livestock sector,
- Improved method of estimating the productivity of new cropland,
- More comprehensive and spatially explicit set of emission factors that are outside of the GTAP-BIO model,
- Revised yield response to price,
- Revised demand response to price,
- Increased flexibility of crop switching in response to price signals,
- Incorporation of an endogenous yield adjustment for cropland pasture,
- Disaggregated sorghum from the coarse grains sector to allow for modeling iLUC impacts for sorghum ethanol,
- Disaggregated canola (rapeseed) from the oilseeds sector to facilitate modeling of iLUC for canola-based biodiesel,
- Included data for palm in the oilseeds sector to estimate iLUC for palm-derived biodiesel,

- Developed regionalized land transformation elasticities for the model using recent evidence for land transformation²¹,
- Split crop production into irrigated versus rain-fed and developed datasets and metrics to assess impacts related to water-constraints in agriculture across the world. Details of the modeling efforts to include irrigation in the GTAP-BIO model is included in a report by Taheriour et al.²² Determining regions of the world where water constraints could limit expansion of irrigation was developed by researchers at the World Resources Institute (WRI) and is detailed in reports published by WRI^{23,24}, and
- Disaggregated Yield Price Elasticity (YPE) parameter into regionalized and crop-specific values. For the current analysis, however, the same YPE value is used for all regions and crops.²⁵

The primary input to computable general equilibrium models such as GTAP is the specification of the changes that will, by moving the economy away from equilibrium, result in the establishment of a new equilibrium. Parameters, such as elasticities, are used to estimate the extent which introduced changes alter the prior equilibrium. Listed below are the inputs and parameters that the GTAP uses to model the land use change impacts of increased biofuel production levels. Also listed are some of the important approaches used by staff for the current analysis.

- Baseline year: GTAP employs the 2004²⁶ world economic database as the analytical baseline. This is the most recent year for which a complete global land use database exists.
- Fuel production increase: The primary input to computable general equilibrium models such as GTAP is the specification of the changes that will result in a new equilibrium. “Shock’ corresponds to an increase in the volume of biofuel production used as an input to the model to estimate land use changes.
- Yield Price Elasticity (YPE): This parameter determines how much the crop yield will increase in response to a price increase for the crop. Agricultural crop land is more intensively managed for higher priced crops. If the crop yield elasticity is 0.25, a P percent increase in the price of the crop relative to input cost will result in a percentage increase in crop yields equal to P times 0.25. The higher the

²¹ Taheripour, F., and Tyner, W. Biofuels and Land Use Change: Applying Recent Evidence to Model estimates, *Appl. Sci.* 2013, 3, 14-38

²² F. Taheripour, T. Hertel, and J. Liu, The role of irrigation in determining the global land use impacts of biofuels, *Energy, Sustainability, and Society*, 3:4, 2013, <http://www.energysustainsoc.com/content/3/1/4>

²³ F. Gassert, M. Luck, M. Landis, P. Reig, and T. Shiao, Aqueduct Global Maps 2.1: Constructing Decision-Relevant Global Water Risk Indicators, Working Paper, World Resources Institute, April 2014.

²⁴ F. Gassert, P. Reig, T. Luo, and A. Maddocks, A weighted aggregation of spatially distinct hydrological indicators, Working Paper, World Resources Institute, December 2013.

²⁵ Staff conducted scenario runs using different values of YPE. For each run, YPE was the same across all regions and crops.

²⁶ For the 2009 regulation, the baseline year was 2001.

elasticity, the greater the yield increases in response to a price increase. For the 2009 modeling, ARB used a yield-price elasticity value range of 0.2 to 0.6. Purdue researchers have used a single YPE value of 0.25 based on an econometric estimate made by Keeney and Hertel.²⁷ The Keeney-Hertel estimate of 0.25 is obtained by averaging two values (0.28 and 0.24) from Houck and Gallagher,²⁸ a value from Lyons and Thompson²⁹ (0.22) and a value from Choi and Helmberger³⁰ (0.27). An expert from UC Davis, contracted to conduct a review and statistical analysis of data from a few published studies, also concluded that YPE values were small to zero. Staff conducted a comprehensive review of all available data and reports on YPE and concluded that YPE values were likely small. However, to account for the different values of YPE from recent studies and recommendations from the Expert Working Group (EWG), staff has used values of YPE between 0.05 and 0.35, for the current analysis. Details of the review conducted by staff on YPE are provided in Attachment 1.

- Elasticity of crop yields with respect to area expansion (ETA): This parameter expresses the yields that will be realized from newly converted lands relative to yields on acreage previously devoted to that crop. Because almost all of the land that is well-suited to crop production has already been converted to agricultural uses, yields on newly converted lands are almost always lower than corresponding yields on existing crop lands. For the 2009 regulation, the scenario runs utilized a value of 0.25 and 0.75 for this parameter, based on empirical evidence from U.S. land use and expert judgment on the productivity of the new cropland. For the current analysis, Purdue University used results from the Terrestrial Ecosystem Model (TEM) to derive estimates of net primary productivity (NPP), a measure of maximum biomass productivity. The ratio of NPP of new cropland to existing cropland was used to estimate ETA for a given region/AEZ and is detailed in Taheripour et al.³¹ ETA values used in the current analysis are provided in Table 2 on the following page

²⁷ Keeney, R., and T. W. Hertel. 2008. "The Indirect Land Use Impacts of U.S. Biofuel Policies: The Importance of Acreage, Yield, and Bilateral Trade Responses." GTAP Working Paper No. 52, Center for Global Trade Analysis, Purdue University, West Lafayette, IN.

²⁸ Houck, J.P., and P.W. Gallagher. 1976. "The Price Responsiveness of U.S. Corn Yields." *American Journal of Agricultural Economics* 58:731–34.

²⁹ Lyons, D.C., and R.L. Thompson. 1981. "The Effect of Distortions in Relative Prices on Corn Productivity and Exports: A Cross-Country Study." *Journal of Rural Development* 4:83–102.

³⁰ Choi, J.S., and P.G. Helmberger. 1993. "How Sensitive are Crop Yield to Price Changes and Farm Programs?" *Journal of Agricultural and Applied Economics* 25:237–44.

³¹ F. Taheripour, Q. Zhuang, W. Tyner, and X. Lu, Biofuels, Cropland Expansion, and the Extensive Margin, *Energy, Sustainability, and Society*, 2:25, 2012, <http://www.energysustainsoc.com/content/2/1/25>

Table 2. Baseline ETA Values for Each Region/AEZ

ETA	1 USA	2 EU27	3 BRAZIL	4 CAN	5 JAPAN	6 CHINA	7 INDIA	8 C_C_Amer	9 S_o_Amer	10 E_Asia
1 AEZ1	1	1	0.914	1	1	1	0.934	1	0.95	1
2 AEZ2	1	1	0.921	1	1	1	0.892	1	0.807	1
3 AEZ3	1	1	0.927	1	1	1	0.859	1	0.896	1
4 AEZ4	1	1	0.893	1	1	1	0.929	1	0.883	1
5 AEZ5	1	1	0.925	1	1	0.9	0.98	0.883	0.895	1
6 AEZ6	1	1	0.911	1	1	0.876	0.982	0.968	0.846	1
7 AEZ7	0.732	1	1	0.889	1	0.805	0.9	0.594	1	1
8 AEZ8	0.71	0.895	1	0.905	1	1	0.711	0.722	0.901	1
9 AEZ9	1	1	1	0.853	1	0.976	0.879	1	0.908	1
10 AEZ10	0.93	0.958	0.881	0.879	0.964	0.84	1	0.887	1	0.93
11 AEZ11	0.955	0.833	1	1	0.936	0.947	0.9	1	0.873	0.838
12 AEZ12	0.888	0.857	0.913	1	0.952	0.916	0.9	1	0.836	1
13 AEZ13	0.922	1	1	0.554	1	1	1	1	1	1
14 AEZ14	0.515	0.891	1	0.796	1	0.921	1	1	1	1
15 AEZ15	0.715	0.902	1	0.829	1	1	1	1	0.64	1
16 AEZ16	1	0.893	1	1	1	1	1	1	0.923	1
17 AEZ17	1	1	1	1	1	1	1	1	1	1
18 AEZ18	1	1	1	1	1	1	1	1	1	1

ETA	11 Mala_Indo	12 R_SE_Asia	13 R_S_Asia	14 Russia	15 Oth_CE_E_CIS	16 Oth_Europe	17 MEA_S_NAfr	18 S_S_AFR	19 Oceania
1 AEZ1	1	1	1	1	1	1	0.675	0.607	1
2 AEZ2	1	1	1	1	1	1	0.589	1	1
3 AEZ3	1	1	1	1	1	1	1	0.895	0.742
4 AEZ4	0.879	0.888	1	1	1	1	0.863	0.925	0.916
5 AEZ5	0.899	0.908	0.981	1	1	1	1	1	0.955
6 AEZ6	0.885	0.948	0.779	1	1	1	1	1	0.878
7 AEZ7	1	1	0.426	1	0.983	1	0.456	0.801	0.651
8 AEZ8	1	1	0.604	0.844	0.844	1	0.71	0.792	0.861
9 AEZ9	1	1	1	0.941	0.818	1	0.768	0.842	0.931
10 AEZ10	1	1	0.92	0.891	0.888	0.87	0.978	0.876	0.916

GTAP modeling provides an estimate for the amounts and types of land across the world that is converted to agricultural production as a result of the increased demand for biofuels. The land conversion estimates made by GTAP are disaggregated by world region and agro-ecological zones (AEZ). In total, there are 19 regions and 18 AEZs. The next step in calculating an estimate for GHG emissions resulting from land conversion is to apply a set of emission factors. Emission factors provide average values of emissions per unit land area for carbon stored above and below ground as well as the annual amount of carbon sequestered by native vegetation. The amount of “lost sequestration capacity” per unit land area results from the conversion of native vegetation to crops. For the 2009 regulation, staff used emission factor data from Searchinger et al. (2008)³².

In the 2009 modeling, each of the 19 regions had separate emission factors for forest and pasture conversion to cropland but these emission factors did not vary by AEZ within each region. Because land conversion estimates within each region differ significantly by AEZ and both biomass and soil carbon stocks also vary significantly by AEZ, emission factors specific to each region/AEZ combination provide a more appropriate assessment.

ARB contracted with researchers at UC Berkeley, University of Wisconsin-Madison, and UC Davis to develop the agro-ecological zone emission factor (AEZ-EF) model. The model combines matrices of carbon fluxes ($\text{MgCO}_2 \text{ ha}^{-1} \text{ y}^{-1}$) with matrices of changes in land use (hectares or ha) according to land-use category as projected by the GTAP-BIO model. As published, AEZ-EF aggregates the carbon flows to the same 19 regions and 18 AEZs used by GTAP-BIO. The AEZ-EF model contains separate carbon stock estimates (MgC ha^{-1}) for biomass and soil carbon, indexed by GTAP AEZ and region, or “Region-AEZ”.^{33,34} The model combines these carbon stock data with assumptions about carbon loss from soils and biomass, mode of conversion (i.e., whether by fire), quantity and species of carbonaceous and other greenhouse gas (GHG) emissions resulting from conversion, carbon remaining in harvested wood products and char, and foregone sequestration. The model relies heavily on IPCC greenhouse gas inventory methods and default values (IPCC 2006³⁵), augmented with more detailed and recent

³² This data set is referred to as the “Woods Hole” data because it was compiled by Searchinger’s co-author, R. A. Houghton, who is affiliated with the Woods Hole Oceanographic Institute.

³³ Gibbs, H., S. Yui, and R. Plevin. (2014) “New Estimates of Soil and Biomass Carbon Stocks for Global Economic Models.” Global Trade Analysis Project (GTAP) Technical Paper No. 33. Center for Global Trade Analysis, Department of Agricultural Economics, Purdue University. West Lafayette, IN.

³⁴ Plevin, R., H. Gibbs, J. Duffy, S. Yui and S. Yeh. (2014) “Agro-ecological Zone Emission Factor (AEZ-EF) Model (v47).” Global Trade Analysis Project (GTAP) Technical Paper No. 34. Center for Global Trade Analysis, Department of Agricultural Economics, Purdue University. West Lafayette, IN.

³⁵ <http://www.ipcc-nggip.iges.or.jp/public/2006gl/index.html>

data where available. Details of this model, originally published in 2011 is available in reports submitted to ARB by Holly Gibbs and Richard Plevin.^{36,37} In response to stakeholder feedback from workshops, this version was modified and the updates include:

- Contributions to carbon emissions from Harvested Wood Products (HWP) was updated in the model using data compiled by Earles et al.³⁸
- Additional modifications to HWP were performed using above-ground live biomass (AGLB) after 30 years in each region
- Updated the peat emission factor to 95 Mg CO₂/ha/yr, using the ICCT report³⁹
- Added OilPalmCarbonStock based on Winrock update to RFS2 analysis.^{40,41}
- Updated forest biomass carbon, forest area, and forest soil carbon data using latest data from Gibbs et al.³³
- Updated IPCC_GRASSLAND_BIOMASS_TABLE with data from Gibbs et al.³³

Based on the iLUC analysis, ARB staff concludes that the assumptions and input parameters used in the GTAP-BIO and AEZ-EF models to estimate indirect land use change for biofuels are reasonable and the models were applied appropriately under the LCFS.

³⁶ Gibbs, H. and S. Yui, September 2011. Preliminary Report: New Geographically-Explicit Estimates of Soil and Biomass Carbon Stocks by GTAP Region and AEZ, posted online at http://www.arb.ca.gov/fuels/lcfs/09142011_iluc_hgreport.pdf

³⁷ Plevin, R., H. Gibbs, J. Duffy, S. Yui, and S. Yeh, September 2011. Preliminary Report: Agro-ecological Zone Emission Factor Model, posted online at http://www.arb.ca.gov/fuels/lcfs/09142011_aez_ef_model_v15.pdf

³⁸ Earles J. M., Yeh, S., and Skog, K. E., Timing of carbon emissions from global forest clearance, *Nature Climate Change*, 2012; DOI: [10.1038/nclimate1535](https://doi.org/10.1038/nclimate1535)

³⁹ Page, S. E., Morrison, R., Malins, C., Hooijer, A., Rieley, J. O., and Jauhiainen, J., Review of Peat Surface Greenhouse Gas Emissions from Oil Palm Plantations in Southeast Asia, White Paper Number 15, September 2011, www.theicct.org

⁴⁰ Harris, N., and Grimland, S., 2011a. Spatial Modeling of Future Oil Palm Expansion in Indonesia, 2000 to 2022. Winrock International. Draft report submitted to EPA.

⁴¹ Harris, N., and Grimland, S., 2011b. Spatial Modeling of Future Oil Palm Expansion in Malaysia, 2003 to 2022. Winrock International. Draft report submitted to EPA.

ATTACHMENT 2

Description of Scientific Bases of the CI Methodology to be Addressed by Peer Reviewers

The statutory mandate for external scientific peer review (H&SC section 57004) states that the reviewer's responsibility is to determine whether the scientific basis or portion of the proposed rule is based upon sound scientific knowledge, methods, and practices.

We request your review to allow you to make this determination for each of the following conclusions that constitute the scientific basis of the staff reports. An explanatory statement is provided for each conclusion to focus the review.

For those work products that are not proposed rules, reviewers must measure the quality of the product with respect to the same exacting standard as if it were subject to H&SC section 57004.

The following conclusions are based on staff's assessment of the results from the life cycle greenhouse gas (GHG) emissions models and information provided in:

1. *Staff Report: Calculating Life Cycle Carbon Intensity of Transportation Fuels in California*
2. *Staff Report: Calculating Carbon Intensity Values of Crude Oil Supplied to California Refineries*
3. *Staff Report: Calculating Carbon Intensity Values from Indirect Land Use Change of Crop-Based Biofuels*

A brief description of each of the models used by staff is provided in Attachment 1.

1. Life Cycle Fuel Carbon Intensities

Based on staff's assessment of available life cycle inventory sources, emissions, and efficiency data, ARB staff concludes that the assumptions and inputs used in CA-GREET 2.0 to calculate direct life cycle fuel CIs are reasonable and the model was applied appropriately under the LCFS.

2. Crude Oil Carbon Intensity Values

Based on staff's assessment of available government, research literature, and internet sources for each crude source, ARB staff concludes that the assumptions and input parameters used in OPGEE to calculate CI values for crude oil production and transport are reasonable and the model was applied appropriately under the LCFS.

3. Indirect Biofuel Carbon Intensity Values

Based on the iLUC analysis, ARB staff concludes that the assumptions and input parameters used in the GTAP-BIO and AEZ-EF models to estimate indirect land use change for biofuels are reasonable and the models were applied appropriately under the LCFS.

4. Big Picture

Reviewers are not limited to addressing only the specific assumptions, conclusions, and findings presented above, and are also asked to contemplate the following questions:

- (a) In reading the staff reports and supporting documentation, are there any additional substantive scientific issues that were part of the scientific basis or conclusion of the assessments but not described above? If so, please comment on them.
- (b) Taken as a whole, are the conclusions and scientific portions of the assessments based upon sound scientific knowledge, methods, and practices?

Reviewers should note that in some decisions and conclusions necessarily relied on the professional judgment of staff when the scientific data were incomplete (or less than ideal). In these situations, every effort was made to ensure that the data are scientifically defensible.

The proceeding guidance will ensure that reviewers have an opportunity to comment on all aspects of the scientific basis of staff's assessments. At the same time, reviewers also should recognize that the Board has a legal obligation to consider and respond to all feedback on the scientific portions of the assessments. Because of this obligation, reviewers are encouraged to focus their feedback on scientific issues that are relevant to the central regulatory elements being proposed.

ATTACHMENT 3

List of Participants Associated with the Development of Fuel Carbon Intensities

Names and Affiliations of Participants Involved

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ATTACHMENT 4

References

All references cited in the staff reports will be provided on a compact disk. For references available online, electronic links will also be provided in the staff reports.