



Dairy Cares Comments on the July 7, 2022 Public Workshop to Discuss Potential Changes to the Low Carbon Fuel Standard

August 8, 2022

Dairy Cares¹ appreciates the opportunity to provide the following comments on the California Air Resources Board's ("CARB") Public Workshop to Discuss Potential Changes to the Low Carbon Fuel Standard ("LCFS"), held on July 7, 2022 ("the Workshop"). Dairy Cares represents the California dairy sector, including dairy producer organizations, leading cooperatives, and major dairy processors. Dairy Cares appreciates the ARB's efforts to encourage the adoption of cleaner low-carbon transportation fuels in California through the Low Carbon Fuel Standard. Incentivizing the production of those fuels helps to reduce GHG emissions and decrease petroleum dependence in the transportation sector, which improves air quality and benefits all residents of the state.

As indicated on slide 6 of CARB's presentation during the Workshop², the LCFS has been extremely successful in reducing the Carbon Intensity ("CI") of transportation fuels in California since its inception in 2011. Fuels derived from dairy biomethane have played a significant role in contributing to these CI reductions. By incorporating these fuels in the LCFS program, CARB recognizes the continued advancement of existing dairy methane reduction efforts which continue to facilitate the significant short-lived climate pollutant ("SLCP") reductions necessary to achieve Senate Bill ("SB") 1383's mandate. These actions have also helped to establish California as a global leader on SLCP reductions.

Dairies have relied on the LCFS program and access to voluntary markets in making considerable investment decisions to develop methane reduction projects such as dairy digesters and associated infrastructure that improves baseline environmental conditions in the Valley. Participation in these voluntary markets must continue to be a core strategy in reducing SLCPs because it is the only way to regulate methane emissions without creating domestic and international leakage in the dairy sector. California must continue to support and accelerate the utilization of existing, proven technologies and markets to send signals for further emission reductions. The success, value, and cost-effectiveness of dairy digesters as a part of this

¹ For more information about Dairy Cares, please visit www.dairycares.com.

² Available at: https://ww2.arb.ca.gov/sites/default/files/2022-07/LCFSWorkshop_Presentation.pdf.

approach has been well documented by CARB.³ More than 100 dairy digesters are currently operational in California with another 100+ digesters in various stages of design, permitting, and development. Once they are fully implemented, these digesters alone will result in close to 4 million metric tons of CO₂e reduction in manure methane, or roughly 40% of current dairy sector manure methane emissions, as required by SB 1383. Moreover, the integration of renewable natural gas as an alternative to diesel use in the San Joaquin Valley provides significant co-benefits to California's environmental justice communities.

By implementing the LCFS among other programs, California's policymakers have designed an effective incentive-based dairy methane reduction strategy. We appreciate the ARB's recognition that a traditional regulatory approach would simply lead to emissions leakage as dairy production shifted to other regions of the United States. This incentive-based approach is working and achieving the desired reductions. Dairy Cares appreciates CARB's forward-thinking actions on this matter as well as efforts to create greater price stability in the LCFS program.

Dairy Cares is grateful for the opportunity to comment on the Workshop and looks forward to continuing to work with CARB on the implementation of the LCFS program and the achievement of the SB 1383 methane reduction targets.

Respectfully Submitted,

/s/

Michael Boccadoro
Executive Director
Dairy Cares

³ See CARB's publication on California Climate Investments, available at: <https://www.caclimateinvestments.ca.gov/cci-data-dashboard> and the final Analysis of Progress toward Achieving the 2030 Dairy and Livestock Sector Methane Emissions Target ("...for the dairy and livestock sector, manure management projects such as anaerobic digesters have been successful at reducing methane emissions."), available at: <https://ww2.arb.ca.gov/sites/default/files/2022-03/final-dairy-livestock-SB1383-analysis.pdf>.