



August 5, 2022

The Honorable Liane Randolph, Chair  
California Air Resources Board  
1001 I Street  
Sacramento, CA 95814

**Re: Newtrient Comments Regarding CARB July 7th Public Workshop to Discuss Potential Changes to the Low Carbon Fuel Standard**

Dear Chair Randolph:

Newtrient LLC respectfully offers these comments to the California Air Resources Board (CARB) in response to the CARB July 7th Public Workshop to Discuss Potential Changes to the Low Carbon Fuel Standard.

Newtrient was founded by 12 leading milk cooperatives representing nearly 20,000 dairy farmers producing approximately half of the nation's milk supply. Newtrient brings together farmers, industry associations, researchers, investors, technology leaders and product developers to make informed decisions about manure management opportunities. Newtrient's work includes advancing manure-based management and product technologies and bringing public and private sector partners together to advance environmental asset trading opportunities. Newtrient understands dairies, markets, practices, and technologies, and brings entities together for success in reducing the environmental impact of the dairy industry.

We applaud CARB's leadership on climate change and are pleased to collaborate in the discussions regarding the potential changes to the Low Carbon Fuel Standard (LCFS). The dairy industry and the family farms of California and nationwide have embraced the challenge of reducing their carbon footprint and the biogas systems that they have and are in the process of installing are part of the solution to the challenges CARB seeks to address.

Unfortunately, there is a vocal group of anti-agriculture activists that insist on portraying the dairy industry's sincere efforts to provide real solutions as greenwashing and refer to the renewable natural gas that is being created to replace fossil fuels as "factory farm gas". The ongoing efforts of these groups is frustrating and disheartening to those of us who are working to support real change and environmental improvement for all Californians.

**Regarding the Changes to the Low Carbon Fuel Standard Presented at the Workshop:**

Newtrient understands and supports CARB in its efforts to significantly reduce transportation emissions to reach carbon neutrality and improve air quality for all Californians. Newtrient also agrees that the LCFS program is a key mechanism for reducing and replacing fossil fuels, accelerating investment in low-carbon fuel production and supporting the associated



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infrastructure buildout, and finally to provide long-term price signals that are needed to support the transition to renewable and sustainable energy production.

Accelerating investment in low-carbon fuel production and supporting the associated infrastructure buildout, as well as providing long-term price signals that are needed to support these efforts are of utmost importance to the dairy industry and the stakeholders who have come alongside to support renewable natural gas production from dairy manure.

After careful consideration of the issues presented, Newtrient supports an acceleration of reductions in Carbon Intensity targets to the proposed 30%-by-2030 and believes that providing five-year interim CI targets between 2030 and 2045 would be effective in helping to stabilize the LCFS credit markets.

Regarding aligning LCFS incentives, it is important that the LCFS program sends market signals to diversify the transportation fuel pool and displace fossil fuels, but at the same time it is imperative that we do not miss the opportunities to make a real impact today while we wait for the emergence of these new fuel sources. The program must utilize targeted market signals to incentivize the projects needed for long-term decarbonization that are currently technologically feasible and realistically affordable. The limited available credits should be targeted for actions in need of additional support to displace fossil fuel consumption in the short term and not be wasted on fuels that have a long runway to commercial application. To this end, Newtrient believes that continued support of anaerobic digestion technologies that convert waste to energy is necessary to achieve the climate goals of California and funding for these systems should be given the highest priority as they provide the double benefit of reducing emissions and replacing fossil fuels. Additionally, renewable natural gas can be used as the precursor to more advanced fuels like dimethyl ether, methanol, and hydrogen, that have the potential to be keys in the decarbonization of the transportation sector going forward.

Newtrient acknowledges the difficulties inherent in evaluating crop-based feedstocks for biofuel production and suggests that staff carefully consider the economic impacts that can result from increasing lipid-based feedstock for biofuels on the cost of commodities and inputs to the food industry as well as the direct Food vs Fuel considerations. Newtrient would not recommend that CARB set an upper limit on biofuel volumes from lipid-based feedstocks at this time but encourages staff to evaluate the need for adjustments and limits to avoid deforestation, land conversion, and adverse food supply impacts. Incentives that promote the conversion of waste to energy and increases the adoption of practices that have the potential to reduce environmental impacts at the same time as replacing fossil fuels should be considered as a primary mechanism for reducing the impact of lipid based feedstocks.

Supporting equity in the LCFS is important to CARB and is equally important to the dairy industry. Providing a technologically feasible, cost effective and equity-focused transition to a carbon neutral economy, improving the environment, and living conditions for everyone in California, and specifically addressing the health and safety issues of those in the agricultural communities where the dairies are located, is a shared goal of everyone involved.

Anti-agriculture activists frequently accuse the dairy industry of “greenwashing” and often point to, what they consider, the many problems that accompany the use of anaerobic digestion (AD) and renewable energy production on dairy farms. The issues that they raise are often either unrelated to the use of anaerobic digestion, such as the release of nitrous oxide which comes from disturbed soil, or are mitigated by the technology itself, as in the case of volatile organic



compounds which are an intermediate in the path of generating biogas that only escape from uncovered manure storage or from partially digested manure. The reality is that the use of anaerobic digestion reduces most of the emissions and many of the unpleasant odors that are associated with animal agriculture.

### **Conclusions:**

Newtrient would like to reiterate its previous comments regarding the family dairies of California and their aim to be good stewards of the environment and citizens of the community. These hardworking, well-meaning families have demonstrated their willingness to improve the environment by adopting AD/biogas systems and alternative manure management programs to improve their existing stewardship.

The dairy industry is incredibly important to California. As mentioned in previous comments, in the 2020 crop year, California's top valued commodity was listed as "Dairy Products, Milk" with \$7.47 billion in sales or approximately 15 percent of the state's farm and ranch cash receipts.<sup>i</sup> According to "Contributions of the California Dairy Industry to the California Economy in 2018", a total of 179,900 California jobs were derived from the California dairy industry.<sup>ii</sup> In addition to these easily quantifiable statistics, less numeric but very important to the families involved, the dairy industry in California represents a stable and non-transitory workplace and thereby benefits those working in this industry and their families by supporting education and social stability in the communities where this industry is prevalent. In the important race to reduce the impact of climate change we must be careful not to negatively impact these essential and iconic California dairy farms.

In closing, Newtrient would like to thank CARB for the opportunity to comment and for the excellent work that it is doing in leading the way in reducing the impact of short-lived climate pollutants for California and the entire nation. We look forward to working with CARB, the California Dairy Industry, and the State of California to address the important environmental, economic, and social issues presented by climate change.

Sincerely,

A handwritten signature in black ink that reads "Mark Stoermann". The signature is fluid and cursive, with a long horizontal line extending to the right.

Mark Stoermann  
Chief Operating Officer  
Newtrient LLC

### **References**

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<sup>i</sup> CDFA. (2021) California Agricultural Statistics Review 2019-2020, <https://www.cdfa.ca.gov/statistics/>

<sup>ii</sup> Department of Agricultural and Resource Economics, University of California, Davis. Matthews and Summer. (2019). Contributions of the California Dairy Industry to the California Economy in 2018. [https://cail.ucdavis.edu/wp-content/uploads/2019/07/CMAB-Economic-Impact-Report\\_final.pdf](https://cail.ucdavis.edu/wp-content/uploads/2019/07/CMAB-Economic-Impact-Report_final.pdf)