

February 15<sup>th</sup>, 2024

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

(Comment submitted electronically)

**RE: Recommendations for Expanding and Enhancing Certification Processes under Low Carbon Fuel Standard- Section 95488.9 Proposal**

Dear Chair Randolph,

FS INDÚSTRIA DE BIOCOMBUSTIVEIS LTDA (FS Fueling Sustainability) would like to express our appreciation for the ongoing efforts of the California Air Resources Board (“CARB”) to improve the Low Carbon Fuel Standard (“LCFS”) program by continually refining and updating its policies. We commend CARB for its dedication to fostering sustainability and highly respect the LCFS program for its positive impact on reducing carbon intensity within the transportation sector.

FS is the first Brazilian company to produce ethanol, animal nutrition products, corn oil and bioenergy exclusively from second crop corn. FS utilizes energy cogeneration from biomass to meet its own energy needs and to generate surplus electricity that is sold to the Brazilian electrical grid. We integrate a new low carbon value chain that encompasses low carbon intensity (Low-CI) second crop corn, incentives to sustainable forest cultivation, the sale of high-quality animal nutrition and ethanol products, and the generation of bioenergy and steam.

While acknowledging the program's achievements, we would like to recommend that CARB further refine the Section 95488.9 Proposal that is one of the proposed amendments to the LCFS program.

We believe that the successful implementation of sustainability certifications serves as a catalyst for sustainable development. However, through our work in multiple jurisdictions, we have encountered some challenges in the practical implementation of certification and verification processes. These challenges, if not addressed, may impact the feasibility of certifying fuels that meet sustainability requirements for a wide range of stakeholders, including small, medium, and large landowners and producers.

To address these concerns, we propose that CARB implement the following recommendations relating to the proposed 2028 sustainability certification requirement:

1. Establish Clear Guidelines
2. Allow the Interchangeability of Certification Modules
3. Optimize Time Efficiency and Reduce Costs

We address each of these three recommendations briefly.

### **1. Establish Clear Guidelines**

CARB should undertake a process to develop clear rules and definitions to ensure that products have the required sustainability attributes, preventing misinterpretation and ensuring compliance. This process should provide the opportunity for stakeholder involvement and include a review of lessons learned through existing certification programs.

In section 95488.9(g)(1)(A), we recommend that CARB develop infographics for each type of biomass, illustrating each stage of the chain of custody and specifying the point of origin.

CARB should evaluate the nature of the product being evaluated and require that certification be mandatory only at the point of origin. For instance, Distillers' Corn Oil (DCO), as a byproduct of ethanol production, should only require an audit at the ethanol processing unit, eliminating the need to include the farm in the auditing process.

### **2. Interchangeability of Certifications**

Within the LCFS certification program, CARB should allow interchangeability with other certifications that are equally or more rigorous, avoiding duplication of efforts and promoting efficiency and adherence to required attributes, such as transparency and traceability.

Certification systems such as ISCC and RSB allow the incorporation of modules from other international programs (e.g., EU RED II and CORSIA). LCFS should ensure that these modules, once certified, meet LCFS requirements.

To the greatest extent possible, CARB should avoid creating specific modules exclusively for LCFS within existing certification systems, as this could increase complexity for applicants and lead to duplicated efforts, separate management, documentation, additional costs, and delays in the process.

Certification systems must be evaluated by CARB, considering the minimum eligibility requirements. This evaluation should adopt a broad approach to sustainability criteria, aiming to include the widest range of certification systems. This approach should not be limited to existing certification schemes to avoid market reserves. Instead, it should allow the opportunity for other certification systems to be qualified as well, particularly those certification systems aimed at promoting emission reduction in the transportation sector at the national level, such as the Renovabio Program in Brazil.

By promoting competition and diversity in certification systems through the establishment of comprehensive rules compatible with various schemes, bureaucracy can be reduced, and more options for qualifying materials can be provided to applicants.

### 3. Optimize Time and Reduce Costs

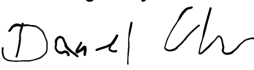
CARB should also evaluate and adopt strategies to optimize time efficiency and reduce costs for implementing and maintaining certifications. For the benefit of regulated parties, third-party verifiers and CARB staff, CARB should develop a structure that enhances efficiency and accessibility through the use of default values, remote audits, investment in qualified auditors, and training local professionals. All of these strategies can maintain program integrity while mitigating logistical challenges and reducing expenses for producers.

We appreciate the opportunity to contribute to the ongoing discussions and improvements in the LCFS program. Our intention is to foster a collaborative environment that promotes sustainability without unduly burdening stakeholders.

#### Conclusion

Thank you for considering our recommendations. We look forward to continued engagement on this important matter.

Sincerely,

DocuSigned by:  
  
CD36C38F34B34B9...

**FS Fueling Sustainability**  
Daniel Costa Lopes  
Executive Vice President of Sustainability and New Business