

February 20, 2024

Attention:
Matthew Botill
Division Chief, Industrial Strategies Division
California Air Resources Board
1001 I Street
Sacramento, California 95814

Submitted electronically.

RE: Proposed Low Carbon Fuel Standard Amendments

Dear Mr. Botill,

On behalf of the Canola Council of Canada (CCC) and Canadian Oilseed Processors Association (COPA) we welcome the opportunity to provide feedback on the *Proposed Low Carbon Fuel Standard Amendments (the proposed Amendments)*.

The CCC and COPA are non-profit industry associations that work collaboratively to help address issues impacting the value chain and oilseed processing sector in Canada.

California is among Canada's largest and most important customers for canola, with exports of oil and meal valued at \$900 million in 2022. Canola oil has long been regarded as one of the healthiest cooking oils available and is also increasingly recognized as a low-carbon feedstock for renewable fuel production. Canola meal is also contributing to GHG emission reductions through its inclusion in dairy feed rations. Recent research shows that feeding dairy cows canola meal reduces enteric methane emissions while at the same time improving milk productivity¹.

Our industry is growing² and is committed to helping contribute to California's climate change objectives through increased utilization of low carbon fuels from sustainably produced canola. Since early 2021, more than \$3 billion of processing capacity has been announced in Canada, equating to nearly 1 billion gallons of additional canola oil supplies for food and fuel markets. Owing to canola's natural ability to sequester carbon from the air and store this carbon in the soil via sustainable production practices such as reduced tillage, renewable fuels derived from canola are also recognized for significantly reducing GHG lifecycle emissions when compared to fossil diesel.

Given the growth of our sector and the proven GHG emission benefits of using canola as a low carbon and sustainable feedstock in renewable fuel production, changes to California's Low Carbon Fuel Standard (LCFS) are an important priority. We are pleased to provide the following feedback on *the proposed Amendments*.

¹ <https://www.canolacouncil.org/news/new-research-demonstrates-increased-milk-production-and-reduced-greenhouse-gas-emissions-when-dairy-cows-are-fed-canola-meal/>

² <https://www.canolacouncil.org/about-canola/processing-industry/>

1. Treatment of Crop-Based Biofuels

The canola industry in Canada appreciates CARB’s analysis and recognition that its previous consideration of a cap or limitation on crop-based oil feedstocks is unwarranted and would increase fossil diesel use resulting in higher costs for consumers and greater GHG, PM2.5 and NOx emissions.

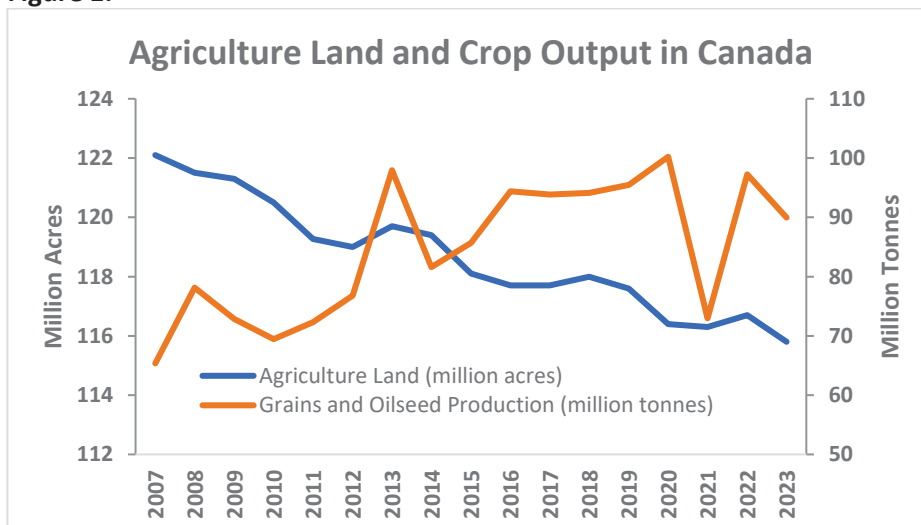
The proposed amendments that would subject crop-based feedstocks to sustainability certification and require tracking to their point of origin was not previously consulted by CARB. While we respect the importance of sustainability criteria in the development of low carbon fuel markets, it is important to work closely with stakeholders to understand its impact and develop practical solutions that limit unnecessary burden. Accordingly, we were encouraged to see a notice provided by CARB on February 14, 2024, informing stakeholders that staff plans to host a workshop in mid-April 2024 to discuss potential refinements to the proposed regulatory amendments, including the sustainability requirements.

To help inform this upcoming workshop and potential refinements to the sustainability requirements, our industry recommends CARB consider an option whereby feedstock can comply to sustainability requirements on aggregate in lieu of third-party certification. For example, provisions in the U.S. Renewable Fuel Standard (RFS) or Canadian Clean Fuel Regulation (CFR) provide options for jurisdictions to demonstrate that crop production does not contribute to negative land use changes or compromise biodiversity.

Due to advanced agricultural production practices, rigorous regulatory environments, and robust data sets validated by government, Canadian and U.S. crop-based feedstock already comply on aggregate with sustainability requirements in both the RFS and CFR respectively. A key metric to demonstrate compliance on aggregate is providing data/evidence that agricultural land is not expanding.

The Canadian government has been tracking agricultural land area for many years and official data shows land used for agricultural purposes has been in consistent decline (refer to Figure 1). While agricultural land area is shrinking, crop output continues to grow. This clearly indicates that crops grown and harvested in Canada do not contribute to deforestation or any associated adverse land use impacts. Furthermore, it is a testament to the innovation of crop production in Canada, with farmers deploying enhanced plant genetics and applying sustainable growing practices to grow more on less land.

Figure 1.



Source: Statistics Canada

An 'aggregate' approach to demonstrate compliance with sustainability requirements carries clear advantages for both CARB and market participants including:

1. It opens the door to a wider compliance option for CARB and allows for recognition of similar efforts taken in partner jurisdictions (i.e. U.S. and Canadian governments).
2. It encourages jurisdictions (not just individual entities) to demonstrate that their supply chains can and do meet sustainability criteria on key issues such as land clearance and deforestation.
3. Where sustainability equivalency can be demonstrated on aggregate across a jurisdiction, it will reduce the administrative burden and costs of feedstock supplies from those jurisdictions that are already fully meeting sustainability requirements under the rule.

Given the above advantages, we recommend the following regulatory text be added to section (g) *Sustainability Requirements for Crop-Based and Forestry-Based Feedstocks* in the *proposed Amendments*. This is not meant to be prescriptive but instead offer a potential solution for CARB's consideration.

"In lieu of subsection (g)(1), the Executive Officer may recognize legislation or regulation which has been enacted by a government authority in another jurisdiction where the effects of such legislation or regulation in that jurisdiction are assessed and deemed to be equivalent to the sustainability requirements under this rule".

We'd also like to take this opportunity to remind CARB that it has already accounted for land use impacts in the development of the LCFS through the incorporation of indirect land use change penalties (iLUC) – values which continue to be significantly overestimated. Accounting for iLUC and requiring sustainability guardrails to address concerns around land use impacts is unnecessarily duplicative in our view.

2. Carbon Intensity Targets

We continue to support the trajectory of increasingly stringent carbon intensity targets. Moving to a 30 % CI reduction from the baseline by 2030 is both appropriate and achievable. Increasing the stringency beyond 30 % is equally achievable, but to support these more aggressive targets, CARB should consider the role of low carbon farming practices in the calculation of CIs for crop-based fuels. Incorporating carbon savings farm practices such as zero/min till or application of enhanced efficiency fertilizers are proven to significantly reduce emissions and contribute to lowering the CI of fuels in the marketplace.

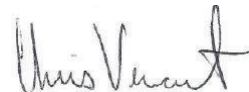
We also applaud CARB for including a CI target for jet fuel in the amendments. Sustainable Aviation Fuel (SAF) is a growing opportunity to support the decarbonisation of air travel. Mandating a CI reduction for intrastate jet fuel is an important first step to encourage more production and consumption of SAF.

On behalf of the CCC and COPA, we appreciate this opportunity to comment, and look forward to an ongoing dialogue with CARB and other relevant stakeholders to enact changes to the LCFS that will address climate change while creating economic opportunities for those in the low carbon fuel value chain.

Sincerely,



Chris Davison
President and CEO
CCC



Chris Vervaet
Executive Director
COPA