

# WESTERN UNITED DAIRIES

February 20, 2024

The Honorable Steven S. Cliff  
Executive Officer  
California Air Resources Board  
1001 I Street  
Sacramento, CA 95814

Regarding: **Proposed Amendments to the LCFS Program**

Dear Mr. Cliff:

Western United Dairies is the largest dairy farmer trade organization in California representing dairy farms from throughout the state of all sizes. Our members are committed to meeting the goals of SB 1383 and reducing livestock manure methane emissions. As a result of that commitment, many of our members have installed anaerobic digesters to capture manure methane emissions and produce Renewable Natural Gas (RNG), which displaces fossil fuels. In both capturing fugitive methane and displacing fossil fuels these projects significantly reduce greenhouse gas (GHG) emissions. Likewise, these projects also improve air quality by helping to transition away from diesel fueled vehicles to cleaner RNG.

WUD urges the Air Board to continue to provide credits for avoided methane emissions from livestock manure, which are the most cost effective GHG emissions reductions funded by the State. When asked by the State, dairy farmers stood up and achieved what was asked of them, it is important that the State now uphold its support of these projects through the LCFS program as promised. Therefore, dairy biogas producers should receive full credit for avoided methane emissions from livestock manure that is used to produce biofuels participating in the LCFS program.

The success of the LCFS program cannot be overstated in bringing down the carbon intensity of transportation fuels, which is one of the more difficult sectors to decarbonize. By linking the carbon intensity of fuels to voluntary projects like digesters on dairy farms, the program has also spurred a significant reduction in methane emissions. This has driven change and innovation on farms to be part of the solution. It is important that ARB maintain the course that has gotten us here and not abandon those that have stepped up to be part of the solution. To accomplish this the value of the avoided methane emissions must continue to be included in the carbon intensity score of fuels produced from dairy biomethane. The projects developed by our members to help ARB achieve its goals are not inexpensive to operate and maintain. The LCFS is the most important revenue source for these projects and keeps these projects viable. It also continues to

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reward innovation and maintains the pace of emissions reductions, which has been unprecedented.

California dairy farms are very sensitive to leakage with the California dairy herd continuing to migrate to other states as shown in recent ARB reports on dairy and livestock populations, including the ARB GHG inventory. Removing the avoided methane emissions value from the LCFS will add pressure on California dairies to leave California to other states without GHG reductions targets for dairies. This will increase global GHG emissions counter to ARB goals. The most effective way to achieve ARB's GHG goals is to support California's dairy farmers in their reduction of methane emissions thereby providing an example to other states and countries on how to achieve emissions reductions and maintain a healthy farm sector that provides jobs in much needed areas of the state and supports fresh local food production. This is how California can achieve meaningful global GHG emissions reductions by being a successful laboratory of innovation while at the same time supporting our economy.

Consolidation is not unique to California dairies. Many businesses in California have experienced consolidation to survive increasing costs and regulatory pressures, including environmental pressures. Consolidation has been happening in dairies across the United States for over 50 years, and California is no exception. The LCFS program is not driving this, but other business pressures to become more efficient and productive. Scale allows dairies to implement practices that reduce GHG emissions and improve air quality. California dairies also provide important year-round jobs, many to disadvantaged communities, that would disappear without our dairy farms.

Ending credits for avoided methane emissions would be counter to SB 1383. It also sends a message that investments in these projects are risky as the state is not willing to support these projects long term. These projects provide some of the most cost-effective investments the state is making in carbon reductions and should be strengthened, not abandoned. For all these reasons, WUD urges ARB to maintain a lifecycle analysis approach to carbon emissions, including avoided methane emissions. Western United Dairies (WUD) appreciates the opportunity to provide comments regarding the proposed amendments to the Low Carbon Fuel Standard (LCFS).

Sincerely,



Paul Sousa, Director of Regulatory and Environmental Affairs  
Western United Dairies