



August 5, 2011

Mike Waugh
Branch Chief, Stationary Source Division
Criteria Pollutants Branch
California Air Resources Board
1001 "I" Street, Sacramento, CA, 95812

Re: LCFS Sustainability Draft Principles/Criteria/Indicators

Dear Mr. Waugh,

Thank you for providing the opportunity to comment on the LCFS Sustainability Workgroup Draft Principles/Criteria/Indicators for Principles 4, 5, 6 and 7. The draft provides an important starting point for establishing a framework that will lead to sustainable fuel production – and the focus on the particular principles of conservation and biodiversity, soil, water, and air at this point is critically important.

Sustainability, as you know, encompasses many factors. And, although there may be 12 specific issue areas (principles) that need to be considered to ensure sustainability of fuel production, some efforts (i.e. tools or strategies) to achieve sustainability in one area can actually benefit or help achieve goals in multiple principle areas. Additionally, certain tools or strategies, while themselves may not be focused on a particular principle, may serve as a valid and valuable indicator that one or more principles are met. In particular, we would like to focus your and the work group's attention on one such mechanism we believe accomplishes many goals within the 12 principles and can serve as an indicator that others principles are achieved - Reducing Emissions from Deforestation and Forest Degradation (REDD).

In December 2009, EDF supplied comments to CARB on the preliminary draft regulation for the cap-and-trade rule that highlighted credit development from REDD projects. In that letter we outlined that REDD project benefits can include improved sustainability of biofuels production occurring on the lands next to the REDD project. Based this observation, we recommended CARB look to the presence of a REDD project in a particular range of proximity to a biofuel feedstock production site—both as an indicator that a particular biofuel was sustainably produced, and also as a factor in establishing biofuels sustainability standards. In addition, recent pilot projects have shown that REDD-type project development for sustainable biofuels development is also a possibility.

As the workgroup moves into further establishing the parameters that outline principle 4 related to conservation and biodiversity, principle 5 related to soil, and principle 6 related to water, we reiterate our comment that REDD has an important place in this conversation.

Specifically, we note that 2 general principles that are at the heart of REDD:

1. At the core of how REDD programs work is a market signal and ground level enforcement to maintain forest cover and facilitate carbon stocking (ending deforestation), thereby eliminating or drastically reducing the land-use change impact that pressure from increased biofuel production can have on a particular area. This in turn affects land conservation, protects biodiversity, prevents deleterious soil and water impacts related to land conversion, and reduces overall greenhouse gas emissions.

As mentioned above, there may be a couple of models whereby REDD and REDD programs can lead to increased sustainability of biofuel production. Some existing research has shown that you can directly produce biofuels within a REDD framework. Other research shows that REDD programs tend to retain forest cover and ecosystem health in areas that would otherwise be pressured by biofuel production in surrounding areas.

2. Advanced monitoring and measurement technology, such as aerial imagery, used with REDD offers tools to evaluate the extent of landscape changes in a certain area. As land is actively managed in REDD projects, the amount of land cover change is recorded and project emissions reductions are discounted to the extent that CO₂ is released from the project area. Accordingly, project operators have new cost-effective tools to verify the extent of impact biofuel production is having. These tools should be evaluated by the LCFS sustainability workgroup for their appropriateness within the 12 principles.

At this point it is not obvious how REDD programs can be incorporated into the principles the workgroup has established. As a tool/strategy to promote sustainability, REDD programs can directly result in sustainable biofuel development in a given area.

As an indicator—the presence of a REDD program in a particular area may demonstrate that a biofuel production operation will not have as large of an impact on the surrounding area. If, for example, the biofuel had been produced on land that formerly was producing a food crop, the REDD project would focus the replacement land for food production away from high value asset areas (rainforests and conservation priority areas) and toward land that resulted in less overall impact.

Other sustainability tools and metrics exist besides currently presented in the working paper. Examples like the Stewardship Index on Specialty Crops can help guide sustainability standards established by CARB in order to provide producers a way to benchmark their production. Farmers involved in crop production similar to that of biofuels are already involved with comparable efforts, which help them to better track production inputs and negative environmental impacts. At this point, since the Stewardship Index appears to be outside the scope of the requested comments, we will hold further detail until the appropriate time. However, we encourage you and the workgroup to examine production benchmarking practices for use in the ultimate guidance document or standard on biofuel production sustainability developed.

Again, thank you again for your consideration of these comments. We look forward to having the opportunity to discuss REDD and its ability to promote sustainability with you and your colleagues. Also, if you have any questions or concerns regarding the comments made in this letter, please contact me at cchow@edf.org or at (916) 492-7172.

Sincerely,

Candice Chow
Agricultural Policy Fellow