

California Environmental Protection Agency



Air Resources Board

***Sustainability Provisions for
the Low Carbon Fuel
Standard***



***7th Annual Forum of the
California Biomass Collaborative***

May 10, 2010

Low Carbon Fuel Standard

- Approved by Board in April 2009
 - Pursuant to Executive Order S-01-07
 - Reduce carbon intensity of California's transportation fuel by at least 10% by 2020
- Resolution 09-31 directs staff to:
 - Present a sustainability workplan to the Board in January 2010
 - Provide a framework for including sustainability provisions in LCFS by no later than December 2011

LCFS Sustainability Provisions

- Resolution 09-31 explicitly requires ARB staff to work with:
 - Interagency Forest Working Group (IFWG)
 - Appropriate State agencies
 - Environmental advocates
 - Regulated parties
 - Other interested stakeholders
- ARB staff will have a transparent, participatory process to accomplish this directive

Desired Outcome

To take to the Board no later than December 2011 practical, enforceable sustainability provisions that assure alternative fuels produced to meet the LCFS are produced in a responsible and sustainable manner

Sustainability Workplan

- Drafted in December 2009
- Distributed for comments
- Revised in March 2010
- To be sent to the Board in an LCFS update memo this month

Importance of Sustainability Provisions

- Sustainability: Meet the present needs without compromising the ability of future generations to meet their needs
- Three areas of sustainability
 - Environmental
 - Social
 - Economic

Environmental Sustainability

- LCFS already includes indirect land use change
- Need to explore issues such as:
 - Biodiversity
 - Protection of sensitive lands
 - Biomass collection volumes
 - Water quality/supply
 - Soil quality/erosion
 - Localized air quality impacts



Social Sustainability

- Issues to explore:
 - Land rights of indigenous people
 - Environmental justice
 - Food prices
 - Food security
 - Labor practices
- Countries with biofuel mandates and high imports trying to address these issues

Economic Sustainability

Issues include:

- Food price/stability
- Creating viable long-term economic environment for alternative fuels



Elements for Addressing Sustainability

- Regulatory or set of policies or both?
- Key elements include:
 - Principles and criteria
 - Benchmarking and/or third party certification
 - Supply chain and reporting requirements
 - Legality

Development of Sustainability Provisions

- Work with stakeholders in transparent, public process
- Assess current laws and regulations
- Follow development of certification and benchmark systems
- Identify policies that incentivize sustainability
- Do not disproportionately impact low-income communities
- Work with national and international partners
- Prioritize efforts to regionalize national and international efforts

Timeline

- **March 2010:** Formed LCFS Sustainability Workgroup
- **June 2010:** Workgroup will address priorities and overarching policies
- **October – December 2010:** Develop sustainability provisions
- **May 2011:** Complete first draft of document(s) addressing sustainability
- **October 2011:** Release proposed language for comment
- **December 2011:** Go to Board with recommendations

Public Workshops

The LCFS Sustainability Workgroup will report progress and outlook in a public workshop forum at the following suggested intervals:

- September 2010
- January 2011
- July – September 2011

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