











October 16, 2024

Liane Randolph, Chair California Air Resources Board 1001 I Street Sacramento, CA 95814

Comments on LCFS 15-Day Changes

Dear Chair Randolph and Members of the Board:

Our organizations write to provide comments on the recent 15-day changes proposed for the Low Carbon Fuel Standard (LCFS) amendments. As noted in previous letters from health organizations and others in the advocacy community, the initial proposal included many concepts that we believe would have strengthened the health and equity outcomes of the program going forward and we expressed our concerns that subsequent proposals weakened the potential for health improvements.

With the latest proposals, we are increasingly concerned that the amendments have moved further from the initial proposal and offer our comments to inform future actions beyond the potential adoption or rejection of the latest staff proposal. We view the following as significant elements of the proposals that warrant closer scrutiny by the board:

- Extending the life of fossil fuel-based hydrogen credits from 2030 to 2035 and maintaining lengthy phase-out schedules for other credits of concern (*e.g.*, methane, fossil-fuel projects).
- Continued exemption of fossil-based aviation fuels.
- Lack of equity focus on proposed base credits for auto manufacturers.
- Limited cap on crop-based fuels that invite significant indirect land use change (ILUC) and other programmatic and environmental impacts.

We believe that the board should direct CARB staff to include the following elements (*in italics below*) in the resolution assuming the LCFS package moves forward. If the package does not move forward as proposed, we would encourage the board to maintain progress toward regulatory certainty in the dairy and airport sector items noted below:

- Regulation of dairy emissions given the significant pollution associated with dairy operations in California and the ongoing challenges in addressing these emissions promptly through the LCFS, CARB should establish a date for the completion of direct regulation of dairy emissions in California.
 - CARB staff will embark on a multipollutant standard for dairies in support of local health improvement, attainment of climate standards, and attainment of ozone and

annual particle pollution standards, the latter of which was recently strengthened by US EPA and will require stronger controls.

- Zero-emission standards for airport ground support equipment (GSE) given the need to
 protect the health of airport personnel, CARB should establish a date for completion of
 zero-emission ground support equipment for airport operations.
 - CARB staff will complete a zero-emission ground support equipment regulation as noted in the 2022 State Implementation and Draft 2025 Mobile Source Strategy as a near-term measure to be completed by 2029 to meet clean air and climate standards, and Executive Order N-79-20, which calls for off-road equipment to be zero-emission by 2035.
- Specify that if an automaker incentive program is approved for use of base credits, incentives are directed only to low- and moderate-income consumers. While CARB included voluntary equity programs under the Advanced Clean Cars II program, the LCFS direction must target incentive programs for vehicle purchases to consumers of limited means to close the ZEV equity divide.
 - CARB staff will broaden the scope of the OEM base credit requirements to include equity-based provisions, such as income-eligibility requirements to focus use of OEM base credits that benefit low- to moderate-income consumer choices.
- Review and update ILUC factors in the absence of a comprehensive cap on crop-based biofuels.
 - CARB staff will, in the first quarter of 2025, convene an expert review panel to address indirect land use change factors to protect against ongoing crop-based fuel credit glut impacts on program effectiveness.

Although we remain deeply concerned with the proposed amendments to the LCFS, we believe that CARB can include strong direction for future actions in the Board resolution to improve air quality and support public health. We look forward to continuing to work with the board and staff on next steps. Please contact Will Barrett with the American Lung Association for additional information at <u>William.Barrett@Lung.org</u>.

Sincerely,

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