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California Air Resources Board
1001 "I" Street
Sacramento, CA 95814

Submitted via: [Submit Public Comments to CARB | California Air Resources Board](#)

Re: Proposed Amendments to the Low Carbon Fuel Standard Regulation

California Air Resources Board:

The U.S. Canola Association (USCA) appreciates the opportunity to comment on the California Air Resources Board's (CARB) Proposed Amendments to the Low Carbon Fuel Standard Regulation issued on August 12, 2024.

The USCA is a non-profit commodity organization whose mission is to increase domestic canola production and promote the establishment and maintenance of conditions favorable to growing, marketing, processing and utilization of U.S. canola. Canola has multiple uses and markets and is a renewable, plant-based feedstock used to produce clean burning biomass-based diesel.

The BBD market provides a valuable outlet for surplus canola oil not utilized for food production. Consistent with the intent of the LCFS, biomass-based diesel from canola provides significant environmental benefits as well as contributing to national energy security and the economy. Canola biomass-based diesel contributes to the expansion and diversification of U.S. fuel and energy production, reduces emissions and improves air quality, and provides jobs and additional economic benefits, especially in rural communities. The canola and biomass-based diesel industries have provided these benefits without significant disruption or adverse impacts to consumers.

Currently, U.S. canola production is primarily in the Northern Plains and Pacific Northwest regions of the country. It is predominantly a spring-planted crop harvested in the fall and grown as part of a beneficial crop rotation on diversified farms that grow five or more different crops. Canola production has grown modestly, but steadily over the past few decades. There is potential for continued expansion of canola production on existing cropland in the U.S., including winter canola, in the Pacific Northwest, Great Plains, and Southeast regions. The winter canola with a double crop option in the Southeast provides additional vegetable oil feedstocks from otherwise fallow land.

Proposed amendment to limit biomass-based diesel produced from soybean oil and canola oil to twenty percent of total biomass-based diesel annual production

The 20 percent cap on biofuels made from canola and soybean oils proposed by CARB is arbitrary, unnecessary and unwise. There is no science or data-based justification provided by CARB for the proposed cap. Limiting the use of renewable, plant-based biofuels made from crops grown on existing cropland in North America will result in greater reliance on foreign feedstocks of less certain origin and inhibit the ability to reach emission reduction goals.

CARB's own findings presented at the April 2024 workshop indicated that renewable diesel and biodiesel have a positive impact on both consumers and the environment. CARB's "Staff Report: Initial Statement of Reasons" (ISOR) specifically modeled an alternative (Alternative 1) which "includes several policy mechanisms that have the effect on limiting the number of credits created from existing low-CI pathways" including "a limit on total credits from diesel fuels or sustainable aviation fuel produced from virgin oil feedstocks." The report found that a cap on vegetable oil feedstocks would result in more fossil diesel use.

Canola and other crop-based biofuels are already subject to Induced Land Use Change (ILUC) and indirect emissions analysis, making a cap redundant and unnecessary. Moreover, capping renewable, plant-based feedstocks without any scientific basis sends a signal to markets that California's LCFS program is arbitrary and unpredictable. This will undercut existing investments and potentially eliminate future innovation in plant-based biofuels, which have been the most commercially viable source of emission-reducing fuels.

California reached its previous emissions reduction targets thanks mostly to biomass-based diesel. As a result of that success, it is ramping up future emission reduction targets and plant-based biofuels, especially biodiesel and renewable diesel from soy and canola, providing a low-cost way to reach emissions goals.

Capping canola and soy biomass-based diesel will require California to rely on more imported feedstocks such as used cooking oil (UCO) from China. There has already been a significant increase in UCO imports from China in the past year for renewable diesel in California. It is harder to guarantee or be certain of the origin of UCO or other imported feedstocks, compared to those derived in North America. For example, there is concern that some of the flood of UCO imports in the past year could include palm oil from southeast Asia, which is the subject of significant concerns due to the environmental profile of its production and the concerns over deforestation. There is no deforestation in North America from canola and soybean production and any "indirect" impacts are already accounted for in the overly conservative life-cycle analysis and carbon intensity scores that have been developed for canola and soy biofuels.

The availability of alternative markets for surplus canola production allows farmers to include canola as a sustainable rotational crop on existing farmland. History shows that the agricultural and biofuel industries can respond to demand quickly with sustainable expansion and innovation. Canola acreage and yields in the primary growing state of North Dakota and in the Pacific Northwest continue to grow prudently and efforts are underway to significantly expand winter canola in the Southeast and Great Plains. Oilseed processing capacity is also expanding in tandem.

U.S. canola production has grown modestly, but steadily over the past few decades. There is potential for continued domestic expansion, including winter canola with a double crop option,

in newer growing regions. Winter canola crops, grown on land that would otherwise remain fallow, provides environmental and agronomic benefits. The benefits of winter cover crops are well-documented and ways are being sought to incentivize this practice, which has a cost to farmers. As a winter crop, canola provides ground cover and promotes soil health with more living roots in the soil. This naturally increases the beneficial soil carbon cycle and decreases the need for carbon-based fertilizer and chemicals. Having viable commercial markets for winter crops offsets the cost to growers and provides renewable, plant-based feedstock for biofuels production. Double-cropping soybean with winter canola provides additional vegetable oil feedstocks on existing cropland and fallow land. However, these innovative winter and double-cropping practices will not get established with farmers if biofuel policies and markets are subject to arbitrary actions such as CARB's proposed cap.

Phase out of new Biomass-Based Diesel pathways

The proposal to phase out new biomass-based diesel pathways in 2031 is also concerning and unwarranted. CARB has a stated goal to achieve 100 percent renewable diesel utilization and the proposed phase out of new biomass-based diesel pathways is unnecessary and counterproductive. If the market becomes saturated, new pathways would no longer be needed and applications for new pathways will stop on their own. If the market has not yet achieved 100 percent saturation, then additional pathways could help achieve the emission reduction goals of the LCFS.

Crop-Based Biofuels Sustainability Criteria

The CARB proposal to require pathway holders to track North American feedstocks to their point of origin and require independent feedstock certification are unnecessary. There is no evidence to suggest that deforestation or land use change is occurring in the U.S. due to land being converted to agricultural production. Increased agricultural productivity in North America is occurring through yield increases, improved agronomic practices, double cropping and use of previously fallow land that benefits environmentally from having "cover" crops.

CARB's proposal would further disadvantage plant-based feedstock production in the U.S. and Canada, which are regions with zero or low-risk of deforestation that are already subject to multiple compliance programs. Instead, CARB's proposal would favor feedstocks produced in regions with a significantly higher risk of fraud or deforestation. Despite a large surge in imported waste feedstocks, CARB did not include any measures to address potential fraud in sourcing waste feedstocks. Implementing a targeted, risk-based approach to the proposal's sustainability criteria offers several advantages. It allows CARB to prioritize resources and regulatory efforts where they are most needed, ensures that sustainability criteria are effectively applied without imposing unnecessary burdens on low-risk regions or established sustainability programs, and ensures sufficient supplies of low-carbon fuels for the California market.

Regions identified as having the lowest risks of deforestation associated with crop-based feedstocks, such as the United States and Canada, should be deemed to be in compliance with CARB's proposed sustainability criteria. If additional measures are imposed, CARB should use an aggregate approach and utilize existing programs and data sources, such as the federal Renewable Fuel Standard (RFS) and USDA crop production data and statistics, to certify that feedstocks grown in North America that are used in the production of biomass-based diesel are produced sustainably and meet CARB's proposed criteria.

The federal RFS already includes protections against land conversion to cropland for biofuel feedstock production. In fact, crop-based biofuels are the only energy sources subject to analysis of indirect emissions and land use change impacts. To be eligible for the RFS, feedstocks have to come from land that was non-forested and in production prior to December 19, 2007. EPA set a national baseline for eligible cropland in 2007 of 402 million acres. If cropland in subsequent years exceeds that baseline, biofuel producers would be required to track and trace where its feedstocks were grown. There is also a threshold of 397 million acres which, if exceeded, would trigger investigation and reassessment of the aggregate compliance program. Neither of these thresholds have been exceeded since 2007. We would also note that the most recent Census of Agriculture data released by USDA on February 13, 2024 shows a 2% decline of total farmland in the United States since 2017. We believe CARB could utilize the existing federal protections and monitoring of land conversion instead of imposing additional, unnecessary compliance burdens. The approach used for the RFS has proven to address sustainability concerns while limiting regulatory burden on market participants.

The USCA urges you to recognize that fuels produced and certified under the federal RFS meet CARB's proposed sustainability criteria. Additional requirements would place an unnecessary burden on the fuel and feedstock providers as well as on CARB's staff and resources for LCFS implementation and enforcement. This additional burden would increase costs without providing any additional environmental benefit.

We would also point out that, as noted in the proposed amendments issued by CARB in December, the California LCFS already accounts for land use change emissions in its life cycle methodologies. Additional certification requirements would be redundant and create unnecessary burdens and expenses that could increase costs and reduce the amount of renewable fuel available to achieve the LCFS targets.

We hope CARB will make sound decisions based on fact and science, rather than emotion and politics, and recognize the beneficial role that plant-based renewable fuels have made to the emissions reductions achieved over the past decade and the necessary and beneficial role they will play in meeting California's future emissions reduction goals. Again, the USCA appreciates the opportunity to comment on the proposed amendments to the LCFS Regulation and looks forward to continue to contribute toward your efforts to implement an effective program.

Sincerely,



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