

California's Low Carbon Fuel Standard 2024 Rulemaking Overview

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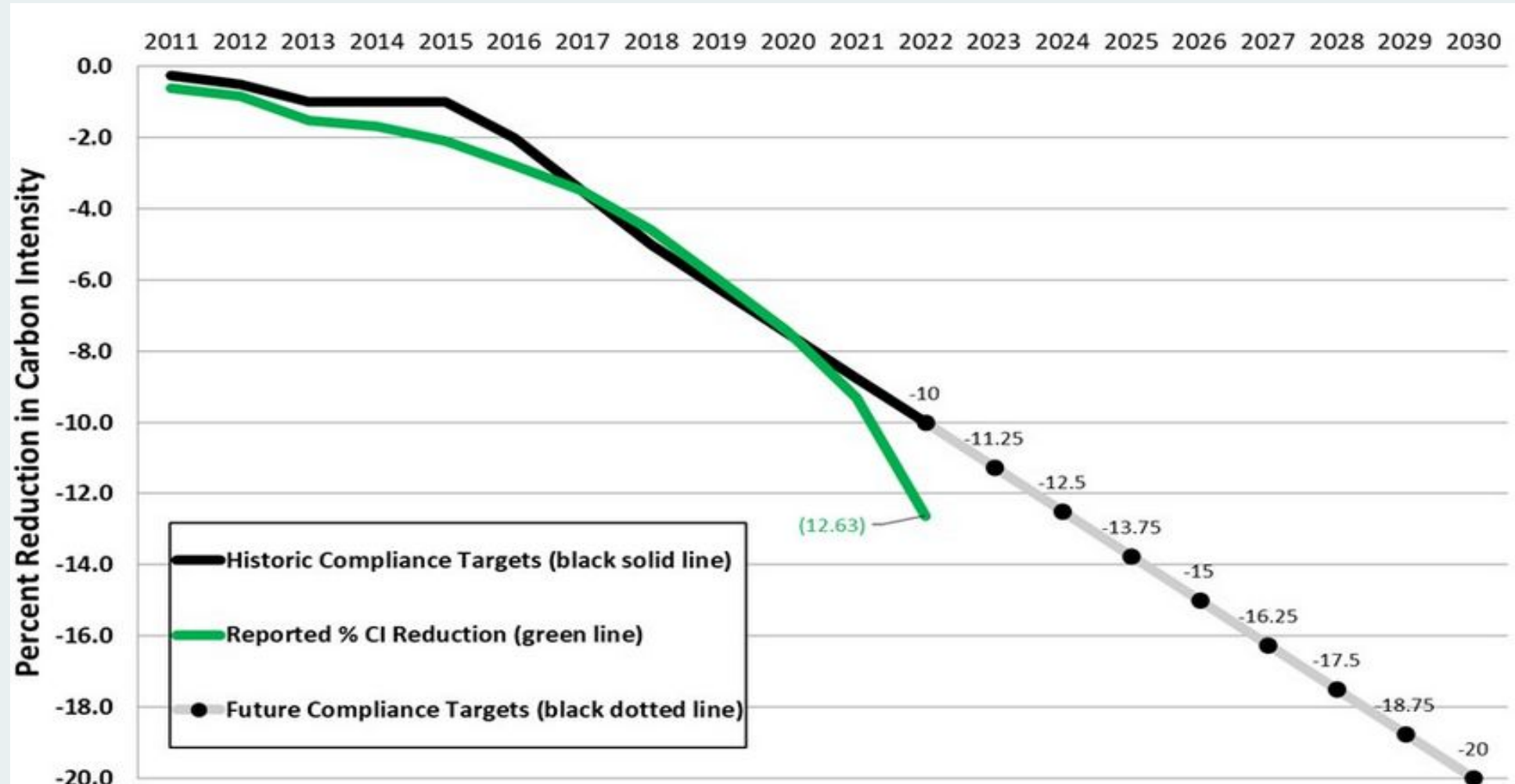
California Climate Policy Summit
March 19, 2024



Agenda

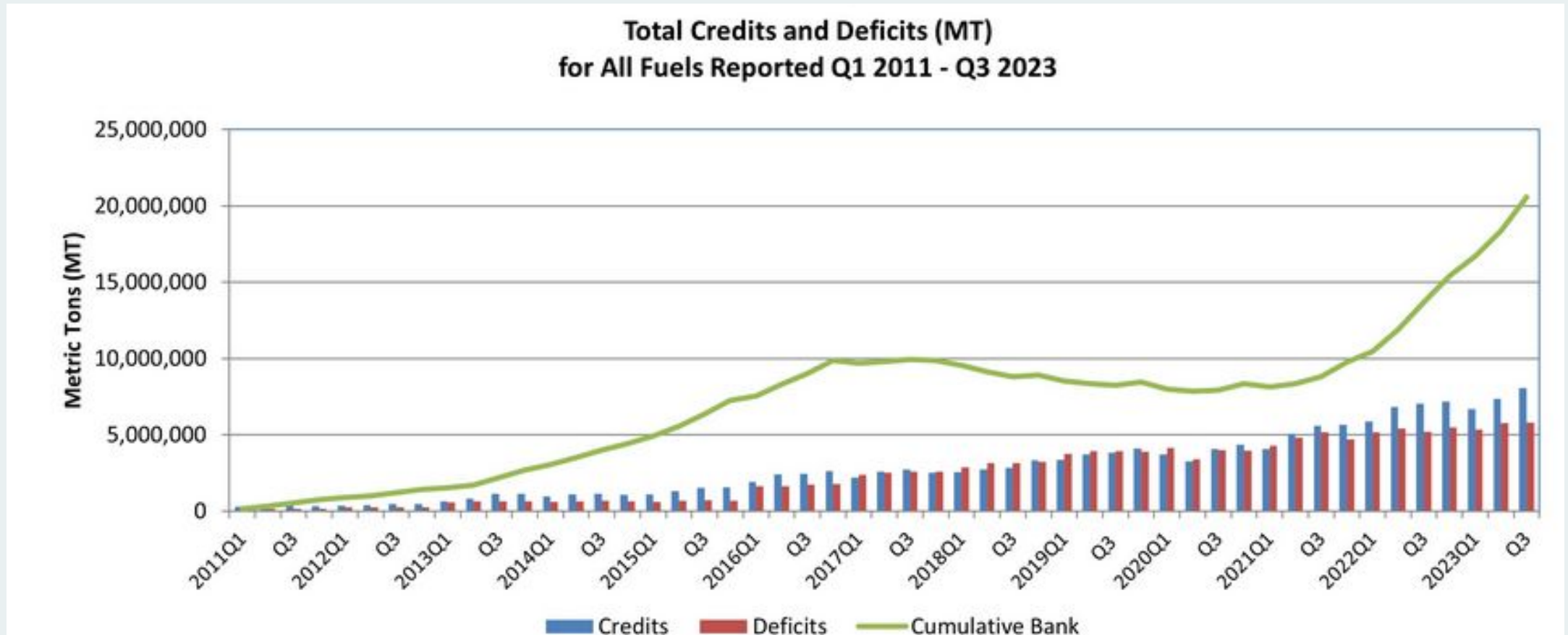
- LCFS Basics
- Current Rulemaking Timeline
- Key Policy Proposals
- Additional Rulemaking Steps

LCFS Basics – CI Stringency



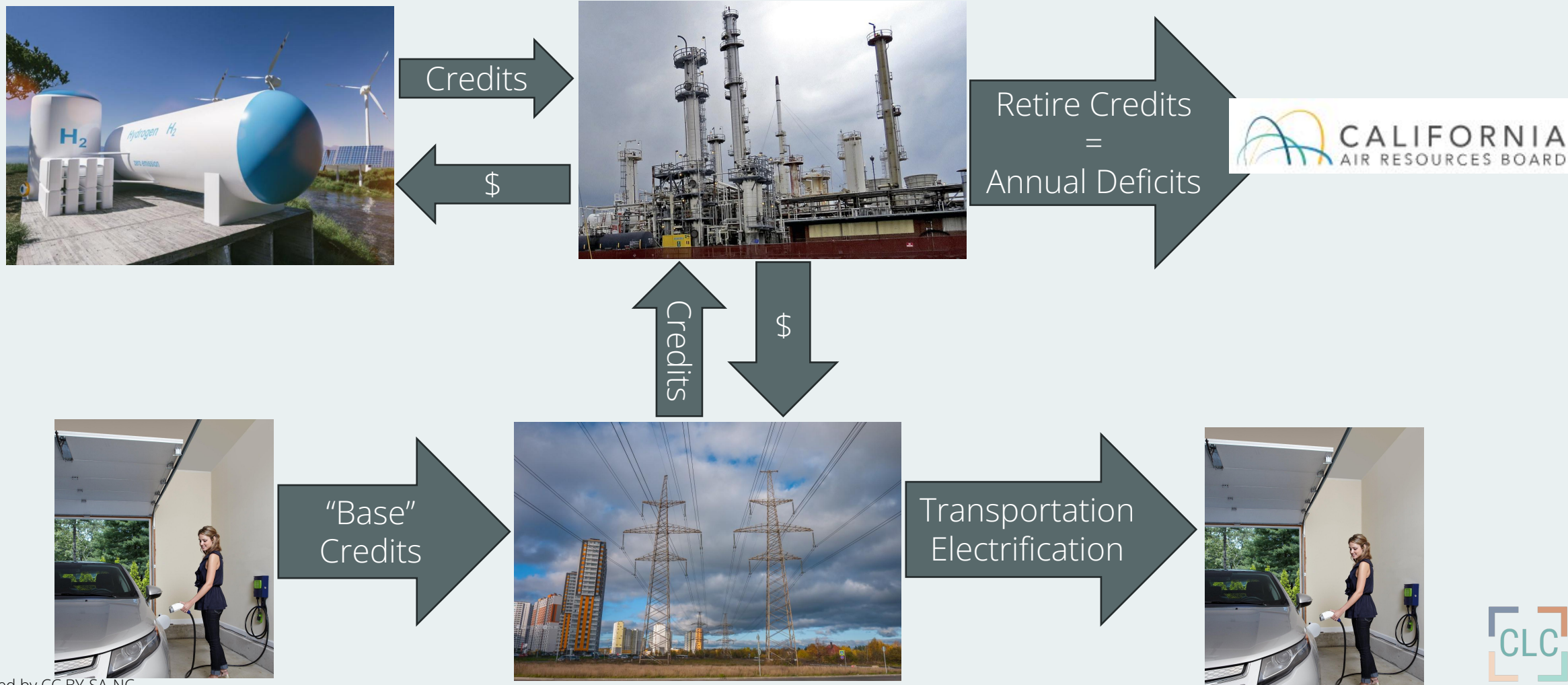
CARB. LCFS Data Dashboard. Figure 1.

LCFS Basics – Credits, Deficits, and Credit Bank



CARB. LCFS Data Dashboard. Figure 3.

LCFS Basics – Credit Trading & Annual Compliance



2024 Rulemaking Timeline

Date		Meetings	Documents/Other
2020	October	Concept workshops	
2021	December	Concept workshop	
2022	April	OPGEE model workshop	2022 Scoping Plan approval
	July	Concept workshop	
	August	Concept workshop	
	November	CATS model workshop	
2023	February	Draft text and LCA models workshop	ISOR docs (except EA)
	May	Acceleration Mechanism workshop	
	May/June	Community Meetings	
	August	CATS model workshop	
	December		
2024	January		ISOR 45-day begins (EA posted) Notice of March Board item
	February		Notice of Board item postponement Notice of April workshop

Key Policy Issues

Benchmark Schedule

Biofuel Feedstock

Avoided Methane Crediting

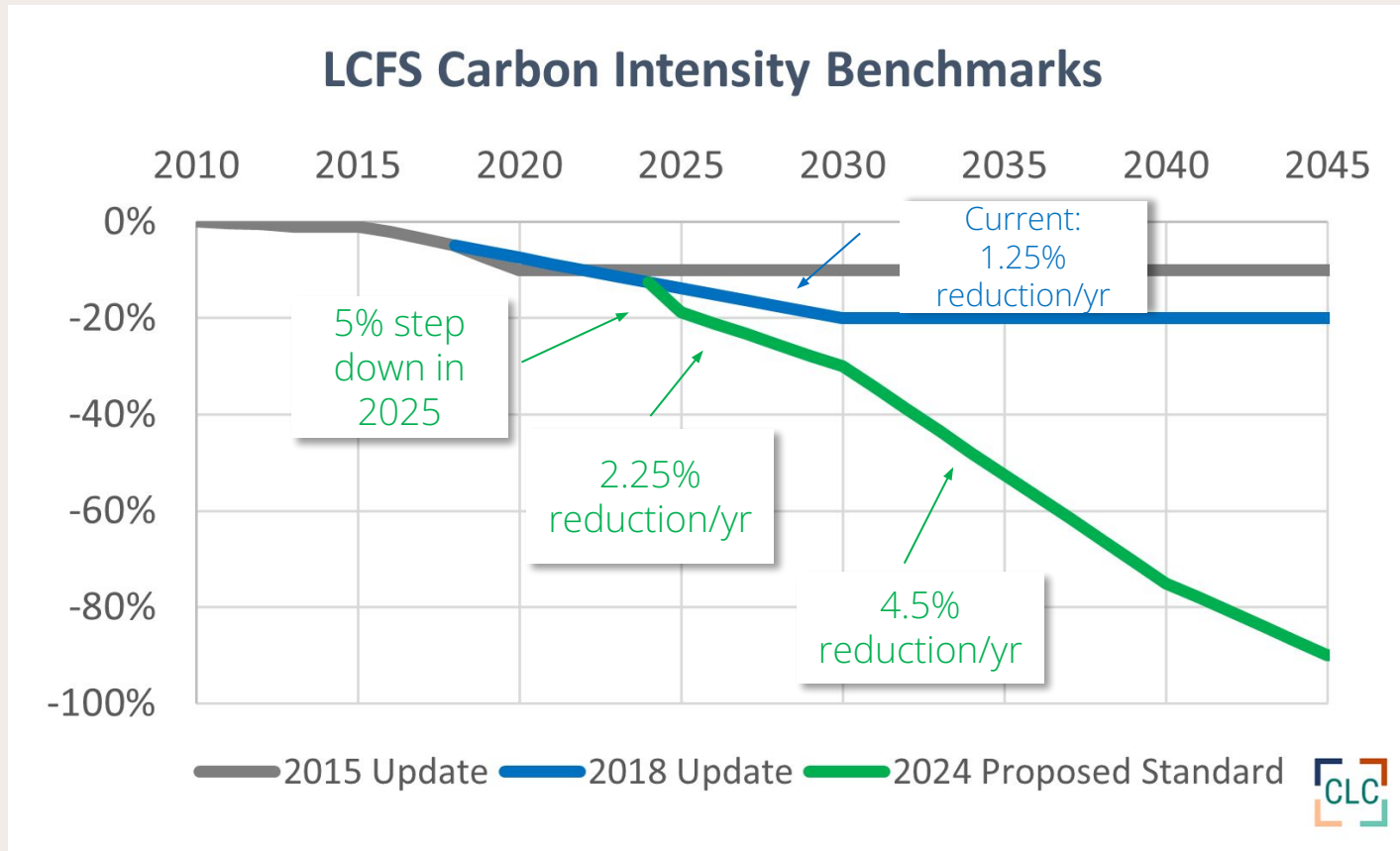
Biomethane Deliverability

Credit True-up and Violations

Base Credits

EV Infrastructure

Key Policy Issues – Benchmark Schedule



Key Considerations

- Alignment with CA climate goals
- Feasibility / Credit generation opportunities
- Cost impact to consumers
- Price signal to investors
- Impact of an accelerated benchmark (auto acceleration mechanism)

Key Policy Issues – Biofuel Feedstock

Key Considerations

- Policy intent / signal to other low carbon fuels markets
- Effectiveness of a certification mechanism
- Market risk of a cap
- Environmental/market risk of no cap

Table 6. Land Use Change Values for Use in CI Determination

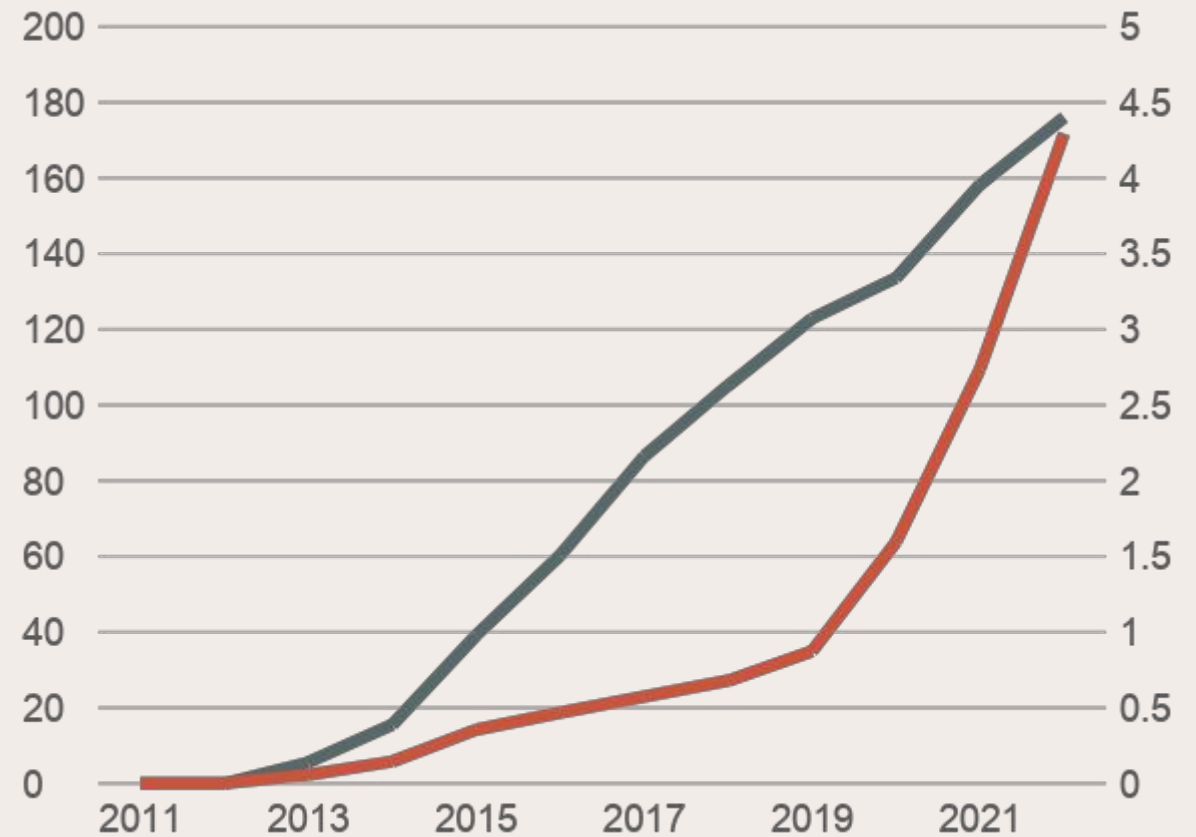
Biofuel	LUC (gCO₂/MJ)
Corn Ethanol	19.8
Sugarcane Ethanol	11.8
Soy Biomass-Based Diesel	29.1
Canola Biomass-Based Diesel	14.5
Grain Sorghum Ethanol	19.4
Palm Biomass-Based Diesel	71.4

CARB. LCFS Regulation. Table 6.

Key Policy Issues – Avoided Methane Crediting

Key Considerations

- Alignment with CA climate goals
- Regulating agriculture industry
- Right-sizing support

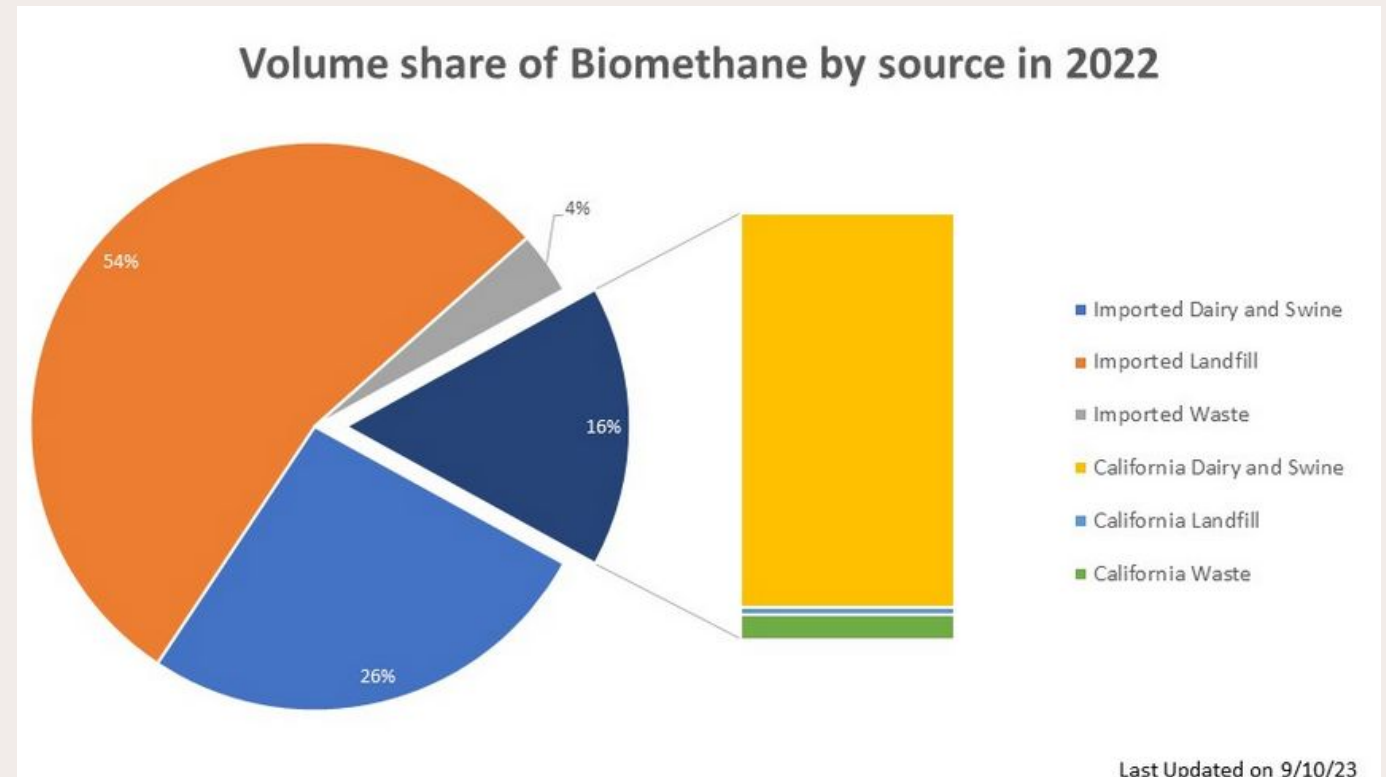


Source data: CARB Quarterly Data Spreadsheet for Q3 2023.

Key Policy Issues – Biomethane Deliverability

Key Considerations

- Alignment with CA climate goals
- Need for fuel in transportation system
- Stranded assets



CARB. LCFS Data Dashboard. Figure 10b.

Key Policy Issues – Credit True-up and Violations

Key Considerations

- Making fuel producers “whole”
- Current violations / what should be deemed a violation
- Streamlining



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Key Policy Issues – Base Credits

Key Considerations

- Where funding can be most effective / other funding sources
- Ease of implementation
- Transparency and accountability



Key Policy Issues – ZEV Capacity Crediting



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Key Considerations

- Number of credits allowable
- Right-sizing support for electricity and hydrogen infrastructure

Additional Rulemaking Steps

- Public workshop(s)
- 15-day change(s)
- Board meeting(s)
- OAL approval
- Implementation

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