



CARB amends Low Carbon Fuel Standard for wider impact

Amendments include the most stringent carbon intensity requirement, additional incentives for zero-emission vehicles, and a protocol for carbon capture & sequestration

DATE September 27, 2018

RELEASE NUMBER 18-52

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CATEGORIES

Programs Fuels Program, Low Carbon Fuel Standard, Carbon Capture & Sequestration

SACRAMENTO – The California Air Resources Board (CARB) today approved changes to the Low Carbon Fuel Standard (LCFS) designed to make the program a more versatile, comprehensive tool in the fight against climate change.

Since 2011, the LCFS has been a cornerstone of California’s effort to reduce greenhouse gas (GHGs) emissions and has spurred innovation in low-carbon transportation fuels such as hydrogen, electricity and biodiesel. Last year, the LCFS resulted in more than two billion gallons of petroleum and natural gas being replaced with cleaner, renewable transportation fuels.

The standard currently requires a 10 percent reduction in the “carbon intensity” of California’s transportation fuels by 2020. Carbon intensity is determined by the amount of carbon emitted throughout a fuel’s entire life cycle, from extraction or production to combustion.

The amendments approved today by the Board require a 20 percent reduction in carbon intensity by 2030, the most stringent requirement in the nation. The new requirement aligns with California's overall 2030 target of reducing climate changing emissions 40 percent below 1990 levels by 2030, which was set by Senate Bill 32 and signed by Governor Brown in 2016.

"These amendments will take California's climate fight up another notch," said Board Chair Mary D. Nichols. "The addition of credits for alternative aviation fuels makes the program more flexible and adds a major source of potential greenhouse gas reductions. Using some of the credits to give a new car buyer a break on electric transportation will provide a clear incentive for zero emission vehicle sales and infrastructure, as requested by the legislature and Governor Brown."

Incentives for ZEV Sales and Infrastructure

The amendments incentivize development of additional zero emission vehicle infrastructure and the sale of electric and hydrogen vehicles, building on utilities ability to collect LCFS credits based on charging, and adding provisions to jump start infrastructure installation through credits generated based on the expected capacity of fast charging and hydrogen refueling stations.

The LCFS program is implemented using a system of tradeable credits, each of which is equivalent to one metric ton of carbon. Credits are generated by producers of cleaner fuels and can be sold to producers whose product will not meet the program's declining benchmark for carbon intensity.

In the case of utilities, credits are generated based on charging for zero emission vehicles. Part of the proceeds from sale of those utility credits will be used to increase the rebates from utilities to drivers purchasing electric vehicles.

The amendments also restructure the various utility vehicle rebate programs into a single pool so application and payment processes are uniform regardless of which utility is involved, and so the rebates can be made available through small utilities as well as large ones.

Protocol for Carbon Capture & Storage

Today's CARB vote also puts in place the most stringent regulatory protocol in the country to set requirements for carbon capture and storage (CCS). CCS is a process that collects carbon emissions before they reach the atmosphere and injects them into permanent underground storage sites. This process should be particularly useful to ethanol producers, as it has the potential to reduce their carbon intensity by up to an additional 40 percent.

The international aviation market is responsible for about two percent of the world's GHG emissions. With today's CARB vote, alternative, or renewable, aviation fuels may now also generate LCFS credits. Producers of those fuels will be permitted to voluntarily opt into the LCFS program.

The program will also begin using CARB-trained and accredited third-party verifiers to provide additional verification of reported reductions in carbon intensity. This process will be similar to the rigorous verification standards for emission reductions in the cap-and-trade program.

LCFS compliance began in January of 2011. The amendments approved today follow a public process that lasted two years and included 22 workshops, multiple draft documents and numerous one-on-one stakeholder meetings.

The LCFS is part of a comprehensive set of programs that California relies on to reduce carbon emissions and fight climate change. Others include cap-and-trade, the Advanced Clean Car Program, the Renewables Portfolio Standard and the Short-Lived Climate Pollutant strategy.

Today's public hearing was the second hearing on these amendments, which take effect on January 1, 2019.

More Information

CARB is the lead agency in California for cleaning up the air and fighting climate change to attain and maintain health-based air quality standards. Its mission is to promote and protect public health, welfare, and ecological resources through the effective reduction of air and climate pollutants while recognizing and considering effects on the economy.

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