

# CARB Votes To Adopt LCFS Updates

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The California Air Resources Board on Nov. 8 approved updates to its Low Carbon Fuel Standard that aim to reduce the carbon intensity of the state's transportation fuel by 30% by 2030 and by 90% by 2024. The updates also alter how a variety of biofuels, including biobased diesel and renewable natural gas (RNG), participate in the program.

According to CARB, the LCFS will now require fuel producers to track crop-based and forestry-based feedstocks to their point of origin. The program will also require independent feedstock certification to ensure biomass-based diesel and sustainable aviation fuel (SAF) feedstocks are not undermining natural carbon stocks. Palm-derived fuels are explicitly prohibited from receiving credits.

CARB approved proposed updates to the LCFS that aim to limit the use of soybean oil, canola oil and sunflower oil in the production of LCFS-compliant biobased diesel fuels. The LCFS will now provide credits for biomass-based diesel produced from these feedstocks for up to 20% of annual biomass-based diesel reported on a company-wide basis. Biobased diesel fuel in excess of 20% will be assigned a carbon intensity (CI) equivalent for fossil-based diesel in line with LCFS regulations or the certified CI for the associated fuel pathway, whichever is greater. For companies that already have submitted a biomass-based diesel pathway certification or have an approved pathway under the LCFS, the 20% cap on soybean oil, canola oil and sunflower oil feedstocks take effect Jan. 1, 2028.

The amended LCFS also phases out avoided methane crediting associated with the use of biomethane as a combustion fuel but does extend the use of biomethane for renewable hydrogen to align with goals outlined in California's 2022 Scoping Plan, which is the state's plan for reducing climate-warming emissions and reaching carbon neutrality.

For RNG projects that break ground after Dec. 31, 2029, LCFS credit generation phases out after Dec. 31, 2040. For hydrogen, effective Jan. 1, 2030, hydrogen dispensed as a vehicle fuel must be at least 80% renewable. Starting Jan. 1, 2035, hydrogen produced using fossil gas as a feedstock is ineligible for LCFS credit generation unless biomethane attributes are matched to the hydrogen production.

Clean Fuels Alliance America is applauding CARB's commitment to the LCFS, but noted more work must be done to ensure crop-based renewable fuels are recognized as a long-term solution.



“Clean Fuels has enjoyed a long partnership with CARB and is committed to working with staff to ensure that the updated regulation can meet California’s aggressive carbon reduction targets while supporting the agricultural community that is the backbone of our sustainable, clean fuels,” said Cory-Ann Wind, director of state regulatory affairs at Clean Fuels Alliance America.

Clean fuels noted that since the LCFS was adopted in 2009, California fleets have used increasing amounts of biomass-based diesel to lower emissions and lessen reliance on fossil fuels. Fifteen years later, 75% of the state’s diesel pool is renewable and responsible for 45% of California’s progress under the LCFS. The biodiesel and renewable diesel industries are creating jobs, improving air quality, and providing sustainable options for fleets to reduce their carbon footprint today and at a lower cost than other options. Looking to the future, sustainable aviation fuel can do more of the same.

Clean Fuels also said it appreciates CARB’s direction to convene a public forum on the latest science on land use change related to transportation fuel and the impact on greenhouse gas emissions. It is imperative that the most current data is used to calculate the carbon intensity of fuels used in the LCFS, and Clean Fuels stressed its support this effort to get it right.

The Coalition for Renewable Natural Gas has also welcomed progress on the California LCFS. “Today’s vote marks a powerful step forward in California’s journey of climate leadership,” said Sam Wade, RNG Coalition’s director of public policy. “With the Low Carbon Fuel Standard, the state has shown what’s possible in reducing greenhouse gas emissions by displacing over 60% of the state’s diesel supply with cleaner alternatives.

“CARB’s commitment today to increasing the ambition of this program also upholds support for renewable natural gas (RNG) projects that capture methane from organic waste sources,” Wade added. “While there remain aspects of the program that could use improvement, today’s decision signals to our industry that California remains a committed partner in building a cleaner, healthier, and more secure energy future.”

According to the RNG Coalition, the LCFS updates will increase overall program stringency while continuing to recognize the dual emissions reduction benefits of RNG projects, which displace fossil fuels while capturing methane from organic waste sites, like landfills, dairy farms and wastewater treatment facilities.

Due in part to the support of the LCFS, California has more dairy RNG projects than any other state with 133 operational facilities and another 84 projects under development. The RNG Coalition said CARB’s vote will allow investors to move forward with those planned projects with confidence that California’s LCFS market will continue to reward their innovation.

Additional information on the LCFS updates is available on the CARB [website](#).