

# Low Carbon Fuel Standard Advisory Group

Federal Policy and Other Programs  
Subgroup Update

February 17<sup>th</sup>, 2009

Chicago, IL

**MGA**



Midwestern Governors Association

# Subgroup Deliverables

- Assessment of other LCFS programs
  - What we like, what we don't like
  - Summary of key program features
- Federal recommendations (1-2 page, top federal recommendations from a Midwestern perspective)
- Monitor other LCFS processes

# Subgroup progress since Calgary

- Two conference calls for subgroup
- Determined subgroup deliverables
- Initial discussions on federal recommendations
- Agreed on list of key programs and design features to examine
- Developed draft table to summarize key programs and design features

# Evaluating other LCFS programs

- Purpose of summary table:
  - Compare key design features from other programs
  - Determine which design features would work and not work for a Midwestern system

# Key highlights

- Modeling carbon intensity values
  - CA uses a combination of the GREET and GTAP models
  - British Columbia is using GHGenius (similar to GREET)
- ILUC
  - CA uses the GTAP model to assign an ILUC carbon score to some bio-based fuels
  - BC does not include an indirect land-use change score for bio-based fuels but intends to do so in 2012
- Modifications of CI values
  - CA has options for fuel suppliers to show a different CI value than the defaults, however there are certain restrictions on which suppliers can apply
  - BC also allows suppliers to apply for lower CI values, with no restrictions
- Credit trading
  - Both programs allow LCFS credits to be used in other GHG reduction programs but do NOT allow outside credits from other GHG programs to be used for LCFS compliance.

# Federal recommendations

- Evaluation of incremental benefit of an LCFS vs. current policy (RFS II)
- Carbon intensity scoring and fuel pathways
- Utilizing best available data
- Carbon intensity reduction targets and schedule
- Regulated parties
- Flexibility mechanisms
- Indirect land use change
- Other sustainability criteria

# 3 Regions Project

- Representatives from RGGI, Midwest, and WCI convening to share information, collaborate on climate policy
  - 3 subgroups: linking (cap & trade), offsets, LCFS
- LCFS subgroup
  - Priorities include:
    - collaboration on regulatory design issues,
    - economic modeling,
    - understanding RFS 2 and land use scores,
    - how to trade credits between programs.