



Clean Fuels
ALLIANCE AMERICA

VIA ELECTRONIC FILING

November 1, 2021

Re: Climate-Smart Agriculture and Forestry Partnership Initiative: Request for Information (Docket No. USDA-2021-0010)

Dear Mr. Robert Ibarra,

Representing America's clean diesel replacement fuels, the National Biodiesel Board (NBB) represents U.S. biodiesel, renewable diesel, Bioheat® fuel, and sustainable aviation fuel (SAF) producers as well as soybean growers and waste fats and oil processors. NBB serves as the industry's central coordinating entity for technical, environmental, and quality assurance programs and is the strongest voice for its advocacy, communications, and market development.

The U.S. market today uses more than 3 billion gallons of these fuels, supporting more than 65,000 jobs across the country and generating more than \$17 billion in economic opportunity. Our industry is on a path to sustainably double the market size to 6 billion gallons annually by 2030, eliminating over 35 million metric tons of CO2 equivalent greenhouse gas emissions annually. With advancements in feedstock, use will reach 15 billion gallons by 2050. The United States will need these fuels in the future to meet the nation's clean air, energy, and agriculture goals.

We will be addressing question 1, 2, 3, 5, and 8. The National Biodiesel Board overall recommends that USDA consider the development of methods to assign changes in soil organic carbon to specific practices and crop rotations versus single crop planting through a standardized measurement and verification program nationally. The biggest impact from agriculture is that we can introduce additional soil organic carbon sequestration into the carbon intensity of the products that are produced, such as biodiesel and renewable diesel. A federal program which creates a standardized measurement of carbon storage would provide certainty and fairness as producers enter current and future carbon markets and would allow biofuels producers to accurately account for their carbon intensity.

We are confident that the Climate-Smart Agriculture and Forestry (CSAF) Partnership Initiative will encourage the adoption of climate-smart practices and promote markets for climate-smart commodities. For any questions or additional information please contact Kate Shenk, Director of Regulatory Affairs at kshenk@biodiesel.org or 202.737.8801.

Sincerely,

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1. How would existing private sector and state compliance markets for carbon offsets be impacted from this potential federal program?

A federal program which creates a standardized measurement of carbon storage would provide certainty and fairness as producers enter current and future carbon markets and would allow biofuels producers to accurately account for their carbon intensity. Any assistance for biofuels producers to calculate and report their emissions in a consistent manner through private sector and state compliance markets, while providing biofuel producers with the information they need to make an environmental claim, reinforcing the treatment of biofuels and biogenic carbon, and providing consumers additional information on the products they purchase would be welcome. A common understanding of climate smart farming practices will further aid in the marketing of agricultural commodities, helping biofuel producers clearly demonstrate the sustainable growth and harvest of their feedstock.

The National Biodiesel Board supports commodity producers participating in both a federal program for their sustainable actions while also participating in private sector and state compliance markets. Participating in one or the other should not supersede the other but rather provide a standardized measurement to use throughout. Participating in a USDA program should not detract or compete with private markets that are already driving growth for soybean growers or make farmers ineligible for private options.

2. In order to expand markets, what should the scope of the Climate-Smart Agriculture and Forestry Partnership Program be, including in terms of geography, scale, project focus, and project activities supported?

The scope of the Climate-Smart Agriculture and Forestry Partnership Program should seek to establish a historic baseline of soil organic carbon (SOC) levels, measure existing SOC levels, verify practices that store additional carbon, and facilitate the trade of carbon credits from producers to the best markets. We recommend that USDA collect data on levels of soil organic matter nationally. While this is often done for purposes of individual research projects, a more transparent and robust public dataset will help accelerate widespread deployment of agricultural practices and new crops that can increase levels of soil organic matter.

The focus on creating a standardized method would allow for regular evaluation of soil organic carbon levels nationally. This will allow state, federal, and voluntary frameworks to better incent and reward farmers for incremental improvements, particularly for producers who have historically adopted practices that increase levels of soil organic carbon. Additionally, it will allow other agencies, such as Department of Energy and Environmental Protection Agency, to determine the life cycle emission reduction of many biofuels more accurately, including biodiesel and renewable diesel.

3. In order to expand markets, what types of CSAF project activities should be eligible for funding through the Climate-Smart Agriculture and Forestry Partnership Program?

While determining what project activities it will support in this process to expand markets, USDA should consider the development of methods to assign changes in soil organic carbon to both specific practices and crop rotations, rather than the current approach which tends to evaluate a single crop's impact on changes in soil organic carbon. It is vital that USDA support research that helps all producers accurately assess the quality and success of both the CSAF Partnership Program as well as private market opportunities.

Additionally, programs to quantify winter annual low-carbon oilseeds, such as CoverCress, Carinata, and Camelina, should be eligible for funding. Currently, these winter annual oilseeds that are a climate smart

commodity are not eligible to participate in USDA conservation programs that promote the use of cover crops. Current federal programs provide assistance to growers that plant cover crops or implement other conservation practices. However, because these crops are harvested, they are currently ineligible for these programs such as the Conservation Stewardship Program (CSP), Environmental Quality Incentives Program (EQIP), and Regional Conservation Partnership Program (RCPP). This pilot program should either make an exemption for these crops to be eligible under existing programs, create a new designation for climate smart commodity crops eligible for the program, and/or allow for the measurement of the soil organic carbon of these crops. The harvesting of winter annual oilseed cover crops would provide dual benefit – to the soil and as an additional feedstock available for biofuels production. These feedstocks can be used to produce biofuels such as biodiesel, renewable diesel, and sustainable aviation fuel without the need for additional acreage. These climate smart, low-carbon crops also produce additional protein per acre, further reducing the demand for international acreage expansion as protein and meat consumption continue to increase.

Finally, the CSAF should seek to enhance the measurement of non-CO₂ greenhouse gases and establish additional strategies and practices which could help reduce these emissions. This is important as reducing emissions from biomass decomposition would have significant and immediate climate impacts. More accurate measurement and quantification of emissions such as N₂O from biomass decomposition would help facilitate existing and future public and private marketplaces to generate reduction strategies. Accurate quantification of these non-CO₂ emissions will be important for markets which trade CO₂e as well as any market which may seek to trade specific gases such as N₂O. Better quantification of this data would also help more accurately quantify the emissions of biofuels.

5. In order to expand markets, what criteria should be used to evaluate project proposals for receiving funding through the Climate-Smart Agriculture and Forestry Partnership Program?

In evaluating project proposals for receiving funding through the Partnership Program, we ask that USDA focus on projects that will allow for a standard measure of soil organic carbon (SOC) to be part of the results. Additionally, any project that lowers the carbon intensity (CI) score of a finished product, such as biodiesel and renewable diesel, should be rated higher.

8. How can USDA ensure that partnership projects are equitable and strive to include a wide range of landowners and producers?

USDA can include both new and early adopters of CSAF practices by utilizing existing programs such as the Conservation Stewardship Program (CSP) and allow producers to continue to improve their land and practices. Allowing producers who may have maxed out under the current CSP program limitations to re-enter to participate and benefit from additional climate activities would encourage all producers to strive for continuous improvement. Having programs for only those producers just now starting to take part in climate-smart agriculture would put those who have already started to work to address climate change on the farm at a competitive disadvantage. When looking at early adopters, USDA must recognize that producers continue to sequester and store carbon through these practices and should be eligible if they have already adopted these practices and rewarded further as they take on even more CSAF practices.