Farmers Business Network/Gradable

Please find attached comments from Farmer's Business Network/Gradable regarding inclusion of simplified on-farm carbon accounting. On-farm carbon accounting is an inevitable development for clean fuels program and it will be easier in the long run for Washington to adopt some form of on-farm accounting upon starting of its program. On-farm accounting is a way to drive down emissions from feedstocks and positively involve the farmer in decarbonization of their activites.

November 15, 2021

Washington State Department of Ecology
300 Desmond Drive SE
Lacey, WA 98503

RE: Chapter 173-424 WAC, Clean Fuels Program Rule

Dear Department of Ecology Staff:

Thank you for the opportunity to comment on Washington State Department of Ecology's implentation of the Clean Fuels Program. Washington can choose to become a leader in decarbonizing fuels by implementing farm level accounting within the biofuel lifecycle, and Farmer's Business Network (FBN) and Gradable encourage you to do so.

FBN is an independent agriculture technology platform and farmer-to-farmer network with a mission to power the prosperity of family farmers around the world, while working towards a sustainable future. Our network consists of over 16,000 farmer members comprising over 49 million acres. FBN launched Gradable to provide technology and services to growers and buyers to facilitate the scoring, sourcing, and pricing of Low-Carbon Grain, building the infrastructure to make environmental transparency in the agriculture supply chain a reality.

We support alignment of Washington's Clean Fuels Program with that of California's, Oregon's, and Canada's forthcoming nation-wide program. However, wholesale adoption of California's sytem may require a more difficult program adjustments down the road and it would not reflect recent industry advances that allow for a more precise and effective program.

Now that we have the data technology for verifiable farm-level carbon accounting, as well as the research to show it is effective, and the real-world experience of analogous LCSF policies successfully reducing emissions, we believe that any new program should afford farmers the same opportunities to reduce emissions that are afforded to fuel producers.

We encourage your consideration of incorporating farm-level carbon accounting for the following reasons:

Climate imperative

The world needs sustainable aviation fuels, maritime fuels, and renewable diesel for the transportation applications not suited for electrification. Reducing the carbon intensity of these fuels must involve decarbonizing the feedstocks to make those fuels are grown.

According to U.S EPA, approximately 5% of U.S. emissions are the result of crop production – about twice that of the entire commercial aviation industry. Measuring and reducing the carbon impact of crop

production is urgently needed and growers must be brought into decarbonization efforts now if we hope to meet 2050 Paris emission reduction goals.

According to Argonne National Laboratory, adopting best practices alone (before soil organic carbon is accounted for) leads to a 35% decrease in carbon intensity. Argonne's GREET model, which incorporates farm-level accounting, estimates emissions factor for "highest emitting practices" of 33.3 gCO2e/MJ of ethanol and -15.9 gCO2e/MJ for "lowest emitting practices," revealing significant potential to lower carbon intensity.

More broadly, adopting this policy now will reverberate beyond biofuels, establishing the regulatory infrastructure to support lifecycle carbon assessments for agriculture products across a variety of industries, including food, feed, and fiber. This action will be the first meaningful step to decarbonize agriculture.

Timing is right

Recent advances in and adoption of agriculture data technology makes farm-level carbon accounting possible today because farm-level data and associated technology is now accessible and verifiable, while also enabling a third party to collect that information without overburdening the farmer.

It is inevitable that nearly all clean fuels standards will incorporate emissions reductions associated with feedstock production through farm-level accounting, so it makes sense to build this into the Washington program from the start. It will be easier and less disruptive for Washignton to implement such mechanisms when starting the program rather than after it has been launched. Adopting this mechanism now will attract the lowest CI scoring fuels to Washington, whereas waiting for other states or countries to act will leave the higher carbon intensity fuels to Washington.

Today, clean fuels programs can do for the farmer what the programs have already done for producers: provide a financial incentive for verifiable reductions in greenhouse gas emissions. Failing to include farm-level accounting while allowing facility-level accounting could convey the wrong message to farmers as not highly valued partners in decarbonization, whereas including it sends a positive and inclusive message to Washington farmers.

New but very manageable addition to LCSF

Ecology can implement this policy easily by starting the program with limited variables that are verifiable and emissions reductions that are clearly understood. These include fertilizer, pesticides, and fuel usage. Validation and verification can be accomplished through partnerships with 3rd parties.

CARB has already implemented a similar policy for production facilities through Tier 2 certification under which facilities can opt to use their own CI based on facility data input, which has resulted in substanial reductions in greenhouse gas emissions. Further, this proposal does not ask for additions to the current California GREET inputs, but rather collects at actuals.

Complicated issues like soil organic carbon and carbon sequestration need not be considered at this time. These issues can be taken up as our understanding of those processes matures. In the meantime, verifiable and straight-forward farm-level emissions reductions should be included in the program.

Ecology can and should seek guidance and advice from experts at Argonne National Lab, the Union of Concerned Scientists, and others who have considered the impacts and design elements of such a policy.

Farmers should not be ignored

The LCFS in California and other jurisdictions have shown that aligning a program's carbon reduction objectives to incentivze behavior will successfully achieve reductions across the industry. Farmers are eager to participate in these programs and are willing to provide the necessary verifiable data but require a consistent market signal to de-risk investments in conservation.

Concerns have been raised that allowing famers to benefit by reducing their emissions will only reward existing high performing growers. This is the same concern raised about the California LCSF program when it was first proposed. That concern has proven unfounded, and biofuel producers have reduced their emissions and have been able to reap the rewards for doing so. Absent access to this incentive, adoption of low-carbon practices and carbon minimal agriculture will be slow and may not meet the urgency of the moment.

Thank you for your time and attention. We look forward to working with you on these matters and we offer our help and support in any way we can.

Sincerely.

Steele Lorenz

Steele Lorenz
Head of Sustainable Business
Farmers Business Network
slorenz@farmersbusinessnetwork.com