



Department of Environmental Quality

Low Carbon Fuel Advisory Committee
October 7, 2010

**Indirect Land Use Changes
Discussion Points**

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Department of Environmental Quality

Timeline

August 5th – info item on ILUC and other indirect effects

August 10th – TIAX presents Compliance Scenario results (compare w/ & w/o ILUC) which will provide the outer bounds of the effect of including an ILUC

Oct 7th - TIAX presents Comparative Analysis of Indirect Land Use Changes in various programs & advisory committee discussion



Questions for the Advisory Committee

- Should Oregon include both direct and indirect effects of producing fuels in calculating carbon intensities?
- What approach should we use?



Additional Information

- EPA response to RFA letter
- CARB Expert Workgroup recommendations
- CARB 2012 Program Review
- European Union report
- National Academy of Sciences report



Other Programs

- California – original GTAP number in effect
 - Expert Workgroup recommendations (2011)
 - ARB decision (2012)
- Washington – averaged EPA and CARB for economic analysis
 - Not addressed in recommendation
- British Columbia – will incorporate ILUC at a later date



DEQ Proposals

- Option 1: 2013 Compliance Year
 - CARB's Expert Workgroup recommendations
 - 2012 is a reporting-only year
- Option 2: 2014/2015 Compliance Year
 - 2012 CARB program review



Considerations

- Additional rulemaking will be necessary to add in an ILUC number in either option if one is not included in the original rulemaking.
- Additional information may become available.
- The models and assumptions will continue to be refined.



Considerations (continued)

- The trend seems to be a narrowing of the gap between various studies, resulting in less disagreement about what the ILUC should be.
- If an ILUC is added, the baseline will have to be changed to incorporate it.
 - Old credits calculated w/o an ILUC will not be adjusted to incorporate an ILUC.