

BART Low Carbon Fuel Standard Policy

Background and Vision:

The California Low Carbon Fuel Standard (LCFS) Policy requires fuel producers to reduce the carbon content of fuels by 10 percent below 2010 levels by 2020 to help the state meet its greenhouse gas (GHG) emission-reductions goals. The LCFS allows low and zero carbon fuel producers and transportation providers to generate credits and requires high carbon-intensity fuel providers (primarily oil refineries) to purchase credits while they work to reduce their carbon content (the more progress they make on cleaning their fuels, the fewer credits they are required to purchase). As of January 1, 2016, the LCFS was amended to allow “Fixed Guideway Charging” systems, which includes electrically-powered rail systems, such as BART, to generate credits. Transit service providers such as BART reduce regional GHG emissions and support the goals of the LCFS program by taking automobiles off the road, particularly during peak traffic times. With the revenue generated from selling the LCFS credits, BART has the opportunity to both support general operations and further reduce its carbon footprint by advancing sustainability projects.

Goals:

Consistent with the recently adopted BART Strategic Plan as well as the intent of the LCFS program, the revenues from sales of the LCFS credits will be used to further the following goals:

Support BART sustainability objectives

- a) as outlined in the BART Sustainability Policy and
- b) by supporting BART operations and fiscal health; and

Prioritize investments with environmental and financial returns for BART.

Implementation:

To achieve the above goals, LCFS credits shall be sold at times and through means that maximize the value to BART, and the resulting revenues shall be allocated as follows:

- All revenue from LCFS credits sold prior to June 30, 2017 shall be allocated to help balance the FY17 budget.
- All revenue from LCFS credits sold after July 1, 2017 shall be allocated as follows:
 - On a one-time basis, the first \$1 million of LCFS credit revenues shall be used for development and design of sustainability projects.

- All of the remaining LCFS credit revenues that accumulate during the lifetime of the LCFS program shall be allocated as follows on a dollar basis at the time of the credit sales:
 - 50% to be programmed by the BART Sustainability Group to develop and deliver projects in support of the above policy goals.
 - 50% to the BART general operating fund for use in the fiscal year of the sales.