



April 11, 2014

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California Environmental Protection Agency
Air Resources Board
1001 I Street
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Sacramento, CA 95812

RE: Low Carbon Fuel Standard

The California Biodiesel Alliance submits these comments on proposed changes to the Low Carbon Fuel Standard (LCFS) on behalf of our members.

Biodiesel is an advanced biofuel that is made from many different fats, oils and greases. It is this diversity that makes biodiesel unique, sustainable, and cost competitive. The California Biodiesel Alliance believes that all of the work the California Air Resources Board (CARB) has done to calculate and establish carbon intensity (CI) values for biodiesel made from various different feedstock is based on strong science and is the foundation underpinning the LCFS.

In general, the California Biodiesel Alliance believes that any changes to the current pathway regime are a major issue and require very careful consideration. There was a fair bit of talk/comments at the recent LCFS workshop about the importance of continuity and certainty in order for LCFS to ultimately succeed and encourage the development and use of low and ultra-low carbon alternative fuels. Several large investments within California and beyond amounting to hundreds of millions of dollars have already been made based on the current pathway regimen. Changes to the already established pathways will undoubtedly be disruptive in the alternative fuels marketplace, and will impact the significant investments already made in California (and other out-of-state producers of very low carbon alternative fuels who are targeting the CA market), as well as have an adverse effect on future investment.

The current CI differentials have played a big part in making the LCFS successful thus far. This has driven investment and fuel consumption in the direction that we believe CARB wants - increased production of lower/ very low CI fuels. Large fuel blenders (i.e. refiners / major oil companies and very large fuel wholesalers/traders) are blending more of the low/very low CI fuels versus higher CI alternatives. Tinkering with the current regime has to be managed very carefully.

If biodiesels of similar CI values are grouped together into categories, or "bins" of CI value, the advantages of lower carbon intensity fuels would be diminished. Therefore if categories are created, we urge CARB to make the spread or width of CI in a given category small (less than 5 g/MJ difference). The LCFS system must account for the real differences in CI that have already been established by CARB itself

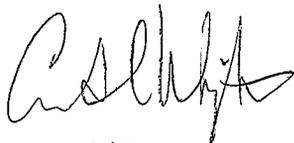
that give value to the positive greenhouse gas reduction benefits of waste or second use feedstock such as used cooking oil, brown grease and inedible corn oil.

CARB staff has already done the calculations for 228 pathways and dozens of elements in each pathway. In lieu of creating categories for CI, why not create a profile for each producer company based on all of the values that have already been calculated to come up with a spreadsheet that would have plug-ins for each company similar to the online registration that already exists? This would allow for multiple feedstock, and the use of transportation impacts from one pathway to be used in another. This could be spreadsheet based and would involve no more time for CARB staff than assigning CI categories. Alternatively, CARB could disallow producer specific pathways for existing process technologies using feedstock for which existing general pathways (i.e. a producer of corn ethanol, animal fat and used cooking oil biodiesel, or renewable diesel) exist unless the producer can show a material difference in CI (10%+ better than the existing general pathway) stemming from the use of a low carbon process energy source or dedicated renewable energy electricity source.

Within the California biodiesel industry over \$100 million of investment has already been made in plants that produce a low CI biodiesel. To ignore the CI differences between biodiesel types would essentially mean that these investments made in plants to produce low CI biodiesel have no advantage in spite of the real differences that exist in lifecycle carbon. In addition, since these plants have been through the LCFS registration process, we are opposed to having already approved Producers re-submit new applications.

We believe that there are alternatives that will lessen the burden on ARB staff and enable them to focus on new pathways, feedstocks and technologies that will benefit everyone. We were encouraged by the discussion of the LCFS working groups last week and will be submitting more detailed comments at a later date.

Respectfully submitted,



Curtis Wright
Chairman

cc: Mike Waugh
Chief, Transportation Fuels Branch