



January 6, 2017

Sam Wade
Jim Aguila
Air Resources Board
1001 I Street Sacramento, CA 95814

Electronic submittal only via: LCFSWorkshop@arb.ca.gov

RE: RPMG Comments on December 2, 2016 ARB presentation -- Grid & Renewable Electricity in the LCFS

Dear Sam and Jim,

Renewable Products Marketing Group (RPMG) would like to thank you and your staff for taking the time to hold workshops and receive comments on potential changes to the Low Carbon Fuel Standard Regulations (LCFS or Regulation). Stakeholders are keenly interested in the variety of staff proposals being presented which may expand the scope, complexity and/or otherwise impact the fuel neutrality of the LCFS regulation.

RPMG is a biofuel marketing company active in the California fuels marketplace, representing our owner and marketing partner ethanol facilities located throughout the Midwest. We support clean transportation fuel policy, including California's LCFS, which diversifies fuel supply, incentivizes innovative technology and advanced renewable fuel selection, creates jobs, and, most importantly, improves the environment. The U.S. renewable fuel industry has a strong track record of these activities being achieved through hard work and ingenuity.

One of the foundational principals of the LCFS is the concept of "fuel neutrality." It has been ARB's goal to establish equitable rules for participates of the program regardless of the type of fuel being brought to market. RPMG is concerned that the staff presentation for Electric Vehicles (EVs) is proposing to shift away from that foundational principal. Two examples demonstrating this concern are: the proposal to update only the CA grid average CI value specific to the EV pathway annually; and presented as limiting the potential consideration of flexibility for non-co-located renewable power to EV applications.

All other fuel pathways, using either the CA grid average or the US EPA's eGRID, are not afforded the option to have their grid average CI reviewed annually. The rationale sited is that the California grid is getting cleaner thus leading to an automatic decrease in CI (and additional credit generation) for the generic EV pathway. These updates would provide the EV pathway an unfair advantage. Likewise, ARB has stated that the CA-GREET model, and its inputs, would be fixed for at least three years. Allowing for an isolated annual update to a single fuel type is not consistent with this policy, and again tilts the playfield.

RPMG wholly supports crediting renewable power with a lower CI score. It is our desire to ensure that the same flexibility provided to renewable power supplying EV charging is also allowed for all other non-EV pathway applicants, including biofuel facilities.

Again, RPMG appreciates the open dialogue opportunities being presented by ARB. If you have any questions about these comments, please contact me at jwhoffmann@rpmglc.com.

Sincerely,

A handwritten signature in blue ink, appearing to read "J Hoffmann".

Jessica Hoffmann
Regulatory and Compliance Manager
RPMG, Inc.