



1157 Valley Park Drive, Ste. 100
Shakopee, MN 55379

September 20, 2019

Via Electronic Submittal

Paul Arneja
California Air Resources Board
1001 I Street
Sacramento, CA 95814

RE: RPMG Comments on Advanced Clean Truck Regulation-Large Entity Reporting

Dear Paul,

RPMG Inc. (RPMG) appreciates the opportunity to comment on this proposed Large Entity Fleet Reporting Regulation¹.

Since we have not worked together yet, here is a bit of background on RPMG. We are a biofuel marketing company, located in Shakopee Minnesota. RPMG represents our owner and marketing partner ethanol facilities located throughout the Midwest. Our combined operations provide both ethanol and distiller's corn oil (DCO) as essential renewable and low-CI inputs to the California fuels market. RPMG and our affiliated producers are committed to the continuation of innovation and real-world GHG reductions at ever increasing rates for the products we supply to California.

One key responsibility RPMG performs is to get the biofuel supply to market. Ethanol is transported to California via rail and is further transported to refineries and terminals by truck. RPMG contracts with various truck hauling entities. *RPMG is not responsible for fleet tracking of this final stage of transport.*

We were just recently made aware of the proposed regulation, and only because we are active in engaging with CARB in Sacramento. The focus at this time is on the Large Entity Fleet Reporting regulation and not the HD ZEV mandate. We did not receive a notice as described in your Standard Regulatory Impact Assessment, or SRIA². RPMG has significant process, policy, legal and administrative concerns with this proposal.

A list of questions and concerns has been prepared below. This list is based upon our commitment to fully comply with regulations to which we are subject. The current proposed text leaves us with many questions and concerns.

1. We request further clarification on statutory authority for this intended rulemaking.
 - a. In addition, please clarify how authority will be established over out-of-California entities and service providers.
2. We have not observed a statement of expected reductions associated with this regulation, therefore we are legitimately concerned with cost effectiveness of the regulation.
3. There is an assumption made that all required respondents of this report are aware of the requirement and have the necessary information available to complete within a 4-hour resource estimate. This is woefully detached and in conflict with our own experience and outreach with contracted haulers.
4. As drafted, respondents would be required to commence data collection and retention practices as of 1/1/2020 before the rule were even to be finalized and implemented – while not fully knowing what those requirements will be. Implementing a regulation retro-actively is not practical for a commercial operation.

¹ https://ww2.arb.ca.gov/sites/default/files/2019-08/190821draftregle_0.pdf

² http://www.dof.ca.gov/Forecasting/Economics/Major_Regulations/Major_Regulations_Table/documents/SRIA-Advanced_Clean_Truck_080819_DOE.pdf

Effective onboarding of any regulatory requirement takes considerable time and resources to adequately prepare and comply.

5. As we have stated above, we have not had direct outreach made to us as a potentially impacted stakeholder. We believe this is the general experience of many other stakeholders in our industry.
6. Regulations carry enforcement risk. Ensuring compliance takes resources, preparation, and awareness.
 - a. How would this rule be enforced in a fair and consistent manner?
 - b. How much input has been given by the CARB Enforcement division?
7. How will CARB deal with Confidentiality and Security Concerns?
8. We believe there are existing data sources from which CARB can obtain much of this data, including databases at CARB and within the State of California operations.
9. The provided Forms are not clear, the terms are not defined, and there is a very heavy emphasis on qualitative responses. How is CARB going to make use of responses provided in a format with such broad parameters?
 - a. What does it mean to operate?
 - b. What is a sufficient level of response or substantive information?

RPMG takes compliance seriously, such requirements being proposed impose costs and risks which do not seem to be part of the evaluation of this rulemaking. Such analysis should be conducted prior to formal proposals. Alternatively, RPMG would like to request an exemption from this Proposed Regulation on the basis that we do not have a physical presence in California, nor do we manage or track the fleet operations in California.

If you have any questions on our position, please contact our Sacramento representative, Jon Costantino at 916-716-3455 or at jon@tradesmanadvisors.com.

Sincerely,

/s/

Jessica W. Hoffmann
Regulatory and Compliance Manager
RPMG Inc.