



Western Iowa Energy, LLC

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December 21, 2022

Cheryl Laskowski, Chief  
Transportation Fuels Branch  
California Air Resources Board  
1001 I Street  
Sacramento, CA 95814

Dear Dr. Laskowski,

Western Iowa Energy (WIE) appreciates the opportunity to provide comments on the November 9<sup>th</sup> Low Carbon Fuel Standard (LCFS) workshop to discuss potential changes to the LCFS program. WIE is an Iowa biodiesel producer and California bulk fuel terminal operator at our Agron facility in Watsonville, CA. WIE has been a longtime supporter of the state's overall climate and air quality improvement goals, which is part of the reason we acquired the Agron facility in 2017. Our plant in Wall Lake, IA is capable of producing 45 million gallons annually of extremely high-quality fuel produced from a variety of very low-carbon feedstocks. We strongly believe that biodiesel makes sense both economically and environmentally for both California and Iowa. We continue to support California's efforts to decarbonize its economy, especially the transportation sector, with a comprehensive all-of-the-above suite of measures.

In addition to our agreement with joint comments from Clean Fuels Alliance America (CFAA) and California Advanced Biofuels Alliance (CABA), we think it's important to emphasize that nearly half<sup>1</sup> (44-45%) of the carbon reductions in the LCFS since 2017 have been provided by renewable distillates (biodiesel, renewable diesel, and sustainable aviation fuel), more than any other fuel including electricity, and 42% since the start of the LCFS.

WIE strongly supports the 30% CI reduction target by 2030 and appropriate interim and post-2030 targets, with the important caveat that any targets considered by CARB not employ a virgin-oil credit cap. The November 9<sup>th</sup> workshop continues to float the concept of capping LCFS credits generated from virgin-oil feedstocks with little to no justification besides simply proclaiming a concern that, "in light of expected increase in global production capacity, staff continues to evaluate the need for adjustments to prevent potential deforestation, land conversion, and adverse food supply impacts."<sup>2</sup> Expressing a concern and proceeding to build a fundamental regulatory change around that concern, without providing even minimal scientifically-robust and peer-reviewed justifications, diminishes and calls into question the

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<sup>1</sup> Over 46% of the LCFS credits in the first half of 2022. See [LCFS Quarterly Data Spreadsheet \(dated Oct. 31, 2022\)](#).

<sup>2</sup> [CARB Presentation](#) at slide 28.

scientific integrity the LCFS was built upon. This approach is not up to CARB's standard and hard-earned reputation for scientific integrity and should not be considered further in the current rulemaking.

The proposed cap on credits generated from virgin oil feedstocks affects only one group of stakeholders and one set of fuels: producers of biodiesel, renewable diesel, and sustainable aviation fuel.<sup>3</sup> Our drop-in fuels provide immediate carbon reductions and air quality benefits in the sectors that will take many years or decades, if ever, to electrify. Since climate change has been described by many as the environmental crisis of this and subsequent generations, it simply defies logic for CARB to propose a cap on feedstocks that can provide significant carbon and air pollutant reductions now and in the many years it will take to electrify the heavy-duty sectors. California, and other states, need all the low carbon feedstocks it can use to tackle the climate crisis. The cap continues to be scientifically unwarranted, especially since CFAA, CABA and others have pointed out that the LCFS already has a built-in mechanism for addressing concerns about potential deforestation, land conversion, and adverse food supply impacts.<sup>4</sup>

In addition to the unwarranted cap on virgin oil feedstocks, the CATS modeling proposed by CARB mis-categorizes both DCO and CWG as virgin oil feedstocks<sup>5</sup>. This is completely at odds with best practices and the treatment of these feedstocks as waste oil feedstocks in the current LCFS program. <sup>6</sup>According to the CATS documentation, both DCO and CWG are assumed and characterized for modeling purposes as virgin oil feedstocks without any explanation or supporting references.

In conclusion, WIE and Agron strongly support a more stringent set of pre- and post-2030 CI reduction targets, in particular the 30% modeling target using no virgin oil cap, and that DCO and CWG remain categorized as waste oil feedstocks. We remain deeply concerned with and are strongly opposed to any CI reduction targets premised on a cap on vegetable oil feedstocks as being unwarranted, not based in sound science, chilling of ongoing and future investments, and counterproductive to California's climate and carbon neutrality objectives.

Thank you for your consideration of these comments.

Sincerely,



Western Iowa Energy, LLC  
Brad Wilson, President/GM

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<sup>3</sup> Lipids from waste and vegetable oil are the only mature technology for producing commercial-scale sustainable aviation fuel via the hydrotreated esters and fatty acids (HEFA) pathway.

<sup>4</sup> See [Clean Fuels and CABA Joint Comments](#), dated Sept. 19, 2022.

<sup>5</sup> See [CATS Model Technical Documentation](#) at 6.

<sup>6</sup> See [Current Fuel Pathways](#) spreadsheet showing currently certified fuel pathways (visited Dec. 19, 2022).