



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

---

March 15, 2023

Dr. Cheryl Laskowski  
Chief, Transportation Fuels Branch  
California Air Resource Board

Electronic submittal only via [comment docket](#)

Re: February 22<sup>nd</sup> LCFS Public Workshop on Potential Changes to the Low Carbon Fuel Standard

Dear Dr. Laskowski,

RPMG Inc. (RPMG) is a biofuel marketing company active in the California and West Coast low carbon fuels markets, representing our owner and marketing partner biofuel facilities located throughout the Midwest. The California LCFS market has been a catalyst for low carbon fuel innovation and investment for all fuel types since its inception a decade ago. We appreciate the opportunity to comment upon this important workshop before the next rulemaking process begins later this year.

#### **CI Curve**

RPMG believes the LCFS program has succeeded in bringing new and lower CI fuels to California through a stable and predictable regulatory program. We encourage CARB to continue into the future with a predictable and stable marketplace in which business can be transacted and investments made with minimal regulatory change risk. RPMG believes a transparent and predictable marketplace allows for optimal market participation.

There were several proposals for adjusting the CI curve under the LCFS, including a more aggressive reduction curve, a single non-linear 'step down', and a yet-to-be-defined 'auto adjustment' mechanism. Each of these on their own would impact the LCFS credit market and credit price. RPMG is concerned that the combination and compounding of these changes will be difficult to predict, and may lead to unintended consequences. We recommend that any changes to the CI curve and market structure be separately and conjointly modeled for a transparent stakeholder workshop before proceeding to rulemaking.

Regardless of the next compliance schedule of the LCFS chosen, biofuels will continue to lead the way as an affordable, plentiful, low carbon option for California fuel markets. This is certain for both the light-duty and heavy-duty sectors. Biofuels serve the long-term stability of the LCFS as producers continue to increase efficiency and innovate to lower emissions. RPMG member partners have made significant investments for the singular purpose of lowering the carbon-intensity (CI) of their fuels. These investments range from small efficiency gains to the full installation and operation of Carbon Capture

and Storage. RPMG fully expects these investments to continue and ethanol CI scores to follow a downward trajectory.

### **CATS Modeling**

RPMG is not supportive of bio-feedstock limits. Staff did not make a firm proposal at the workshop with respect to bio-feedstock limits. RPMG recommends CARB remove any such limits from consideration and formal rulemaking proposal.

RPMG reiterates that the inclusion of corn oil as a “Virgin Oil” in the CATS model is inappropriate. In our previous [letter](#) we highlighted corn oil classification under the Renewable Fuels Standard as “unfit for human food use”. To ensure consistency across fuels programs, we request corn oil be removed from the “Virgin Oil” classification in CATS. Similar action was stated in both the CATS model documentation and staff slides for ‘white grease’.

RPMG supports the CATS modeling inputs change “Adjust[ing] the average CI of ethanol to reflect continued CI reductions, informed by the historical downward trend” as outlined on staff slide 20.<sup>1</sup> Renewable fuel producers continue to innovate, invest and keep following the LCFS standards curve. The program should recognize all low-CI renewable fuel in the suite of California transportation fuels.

Focus on ethanol CI trend in the CATS model is important, but is only a per unit of volume metric. An additional benefit of ethanol is that it can be used in higher blends, i.e. increased amounts of lower-CI fuels per fill-up. Such is the reality of E85, and eventually E15 use in the state. Limiting the model to only view a 10% ethanol blend in the transportation fuel pool is short-sighted and underestimates the potential benefits to the program that ethanol provides.

### **Verification -Firm Rotation**

RPMG has submitted several comment letters over the years, dating back to the start of program verification, asking for the option of verifier rather than firm rotation. We again request that this change be made in the upcoming rulemaking. We support the comments submitted on this topic from the last workshop by Christianson and Associates<sup>2</sup>, as well as the numerous comments (with in-depth explanations and rationale) from the 2018 rulemaking<sup>3,4,5,6</sup>.

### **Program Staff Resources**

RPMG notes and wishes to voice our support of the agency’s budget request for additional pathway staff, as outlined in the Governor’s proposed January budget. The efficient and timely processing of newer, and ever lower CI, pathways is a key component to the successful implementation of the LCFS.

---

<sup>1</sup> [https://ww2.arb.ca.gov/sites/default/files/classic/fuels/lcfs/lcfs\\_meetings/LCFSpresentation\\_02222023.pdf](https://ww2.arb.ca.gov/sites/default/files/classic/fuels/lcfs/lcfs_meetings/LCFSpresentation_02222023.pdf)

<sup>2</sup> <https://www.arb.ca.gov/lists/com-attach/164-lcfs-wkshp-nov22-ws-UDNQPIgVW9QJVQg.pdf>

<sup>3</sup> [https://ww2.arb.ca.gov/sites/default/files/classic/fuels/lcfs/workshops/09152017\\_christianson.pdf](https://ww2.arb.ca.gov/sites/default/files/classic/fuels/lcfs/workshops/09152017_christianson.pdf)

<sup>4</sup> [https://ww2.arb.ca.gov/sites/default/files/classic/fuels/lcfs/workshops/10062017\\_rpmg.pdf](https://ww2.arb.ca.gov/sites/default/files/classic/fuels/lcfs/workshops/10062017_rpmg.pdf)

<sup>5</sup> [https://ww2.arb.ca.gov/sites/default/files/classic/fuels/lcfs/workshops/09042017\\_weaver.pdf](https://ww2.arb.ca.gov/sites/default/files/classic/fuels/lcfs/workshops/09042017_weaver.pdf)

<sup>6</sup> [https://ww2.arb.ca.gov/sites/default/files/classic/fuels/lcfs/workshops/09072017\\_rpmg.pdf](https://ww2.arb.ca.gov/sites/default/files/classic/fuels/lcfs/workshops/09072017_rpmg.pdf)

**Conclusion**

RPMG would like to again highlight that with a stable regulatory structure to promote innovation, the ethanol industry will continue to lead the way in terms of reducing the carbon intensity of the liquid fuel market. RPMG looks forward to continuing these conversations. Please contact me with any questions.

Thank you,

Jessica Hoffmann  
Regulatory and Compliance Manager  
RPMG Inc.