



April 23, 2020

California Air Resources Board 1001 I Street
Sacramento, CA 95814

RE: Encore BioRenewables Comments on Proposed Amendments for the Alternative Diesel
Fuels Regulation

Dear Chairman Nichols and Members of the Board:

Thanks for the opportunity to comment on the proposed amendments to the ADF regulation.

I currently serve as the California Advanced Biofuels Alliance (CABA) vice-chair, and my company, Encore BioRenewables, is based in Santa Monica. I've been marketing biodiesel and renewable diesel in the state for close to 20 years. I also work with several clean tech companies, assisting them with the commercialization of emerging technologies that help the state meet its climate goals.

I think it's safe to say that I'm a lifetime advocate for California's carbon regulations as well as the pragmatic deployment of them in order that they be successful. It is with that in mind that I have to oppose the proposed ADF amendments you are considering because they are flawed, not based on CARB's own sound scientific data, will economically harm California biodiesel producers and consumers, and I believe will undermine the Board's objectives. This is especially true under current COVID-19 pandemic conditions.

I'd like to focus on just a few key points.

In calculating blends of renewable diesel (RD) and biodiesel, staff's conservative math results in a blend of 2.75 to 1. This calculates to a blend ratio of 55% RD, 20% biodiesel, and 25% petroleum diesel (R55/B20/P25). But staff then lists R75/B20/P5 to be "conservative". This is simply not justified by CARB's own science. But more importantly, as someone with 20 years of experience in the biofuel market, I can tell you that there is very limited availability of RD in the entire world and there are many emerging carbon-regulated markets that are vying for the same gallons as California. As a result, this requirement will effectively limit blending of biodiesel due to lack of RD. And since biodiesel is responsible for about 20% of LCFS credits, this limitation will severely impact the success of the LCFS. It's just simple math.

I also strongly agree with NBB in requesting a 15-day change in order to have time to work through several technical issues that would normally be managed during a regulatory process.

But there's an unreasonable focus on moving this proposal quickly rather than doing it well. It's important that the time is taken to fully understand and appreciate the impact this will have on California producers, the disadvantaged communities they operate in, the good paying green jobs they create, the secondary and tertiary businesses and economic impact they have, or, in fact, the viability of the LCFS which is dependent on the more than 5 million credits that biomass-based diesel fuels will generate in California every year.

I appreciate the strong working relationship our industry has always had with CARB and look forward to your attention to help address these issues.

Sincerely,

A handwritten signature in dark ink, appearing to read "Joe Gershen", followed by a long horizontal flourish.

Joe Gershen
President
Encore BioRenewables LLC