March 25, 2019

Executive Officer
California Air Resources Board (CARB)
1001 I Street
Sacramento, CA 95814

Electronic Submission via
https://www.arb.ca.gov/lispub/comm2/bcsubform.php?listname=tier2lcfspathways-ws&comm_period=2

RE: Renewable Propane Temporary Pathways

Dear Executive Officer:

Renewable Energy Group, Inc. (REG) appreciates the opportunity to comment on the proposed renewable propane temporary pathways. REG is a leading provider of cleaner, lower carbon intensity products and services. We are an international producer of biomass-based diesel and are North America's largest producer of advanced biofuel.

We believe that the renewable propane temporary pathways should mirror the established biomass-based diesel temporary pathways. This is consistent with the life cycle assessment methodology approach CARB has utilized when calculating the carbon intensity of renewable diesel and its associated co-products, including renewable propane, naphtha, and jet fuel. We therefore propose that CARB add a separate temporary pathway for renewable propane produced from fats/oils/grease/residues (FOG) at a 45 g CO_2e/ MJ.

We have come to understand that CARB staff has concerns about feedstocks which produce the qualifying propane. It has been stated to us that requiring a 65 g CO_2e/ MJ carbon intensity is meant to incentivize companies to apply for pathways using actual data instead of relying upon temporary pathways. However, we believe that a temporary pathway carbon intensity of 45 g CO_2e/ MJ for renewable propane from FOG is a conservative enough CI that most companies will want to apply for actual pathways. Currently, there are 21 renewable diesel fuel pathway codes registered that would fit under the FOG category. Only two of them are higher than 45 g CO_2e/ MJ and that facility is unlikely to ship renewable propane to California due to logistical constraints. The other 19 fuel pathway codes have carbon intensities below 40 g CO_2e/ MJ and the average carbon intensity reported for renewable diesel has been ~31 g CO_2e/ MJ the several quarters. Furthermore, CARB staff has projected that renewable diesel pathway carbon

intensities should remain relatively consistent with the implementation of the new GREET model. Therefore, it seems unlikely that a FOG fuel pathway code for renewable propane would be above the 45 g CO_2e/ MJ.

If CARB staff is concerned about a plant's actual fuel pathway code would be above the 45 g CO_2e/ MJ, they could request documentation for the anticipated supply chain to calculate transport distance carbon intensity. If there is concern about fuel pathway allocation, CARB staff could request documentation from a company about its methodology to ensure compliance with the regulation under § 95491(d)(1)(C).

Thank you for your consideration of our comments. Please feel free to contact us with any questions or comments.

Sincerely,

Curtis Powers and Scott R. Hedderich
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