June 17, 2022

Rajinder Sahota
Deputy Executive Officer
California Air Resources Board
1001 I Street
Sacramento, CA 95814

Dear Ms. Sahota:

The Clean Fuels Alliance America (Clean Fuels)[1] and California Advanced Biofuels Alliance (CABA)[2] appreciate the opportunity to provide comments on the California Air Resources Board's (CARB) 2022 Scoping Plan Update (Scoping Plan). Clean Fuels and CABA have been longtime supporters of the state's overall climate and air quality improvement goals and have collaborated frequently with CARB staff toward achieving those goals. 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.

Our California member producers and marketers support over 3,900 well-paying jobs in the state and about $960 million in economic activity each year. Further, the biodiesel, renewable diesel, and sustainable aviation fuel supplied to the state by our California and national members are collectively the single largest source of GHG reductions in the Low Carbon Fuel Standard (LCFS), providing nearly half (44-45%) of the carbon reductions), more than any other fuel including electricity. Our fuels have grown to the point where fully a third (33.3%) of each gallon of diesel fuel consumed in the state in 2021 consisted of our industry's low-carbon fuels. Our sustainable replacements for petroleum diesel have been a major factor in driving California's continuing large scale transformation of transportation from petroleum based toward a carbon neutral system. More to the point, our liquid diesel replacement fuels remain

[1] Clean Fuels (formerly the National Biodiesel Board) is the U.S. trade association representing the entire supply chain for biodiesel, renewable diesel, and sustainable aviation fuel. The name change reflects our embrace of all the products Clean Fuels members and the U.S. industry are producing, which include biodiesel, renewable diesel, sustainable aviation fuel, and Bioheat® fuel for thermal space heating. Our membership includes over 100 farmers, producers, marketers, distributors, and technology providers, and many are members of environmental organizations supportive of state and local initiatives to achieve a sustainable energy future.

[2] California Advanced Biofuels Alliance is a not-for-profit trade association promoting the increased use and production of advanced biofuels in California. CABA represents biomass-based diesel (BMBD) feedstock suppliers, producers, distributors, retailers, and fleets on state and federal legislative and regulatory issues.

the only viable, large-scale alternatives to petroleum for the next several decades in the most difficult-to-decarbonize sectors: heavy duty on- and off-road, marine, rail, and aviation.

Support for Alternative 3

We support the CARB staff's move away from the "one-size-fits-all" approaches in Alternatives 1 and 2, a move which recognizes not just the infeasibility of those approaches but also the extreme costs associated with them. While it could do considerably more to push for alternative fuels besides electricity and hydrogen, the staff's recommended Alternative 3 provides a pathway for the continued important role that biodiesel (BD), renewable diesel (RD), and sustainable aviation fuel (SAF) must play in California's efforts to decarbonize transportation.

We continue to reiterate[3] that staff's modeling should include a scenario aiming toward complete displacement of petroleum diesel by the 2035-2045 timeframe. This would entail producing in and importing into California about 3.4 billion gallons of renewable diesel and biodiesel, a goal which is entirely feasible given the billions of gallons of RD production capacity in the U.S. due to come online in the next several years and the existing 2.5 billion gallon BD capacity.

To this end, we recommend that CARB staff initiate the next LCFS rulemaking immediately after adoption of the Scoping Plan and, within that rulemaking:

1. Adopt a more aggressive 30% carbon intensity (CI) reduction target for the LCFS by 2030 (as compared to the current 20% target), and a minimum a 37% CI reduction target by 2035. This would help the state achieve carbon neutrality by 2045 or sooner and harmonize the California LCFS program with the targets currently being considered by the Oregon Department of Environmental Quality for its analogous Clean Fuel Program; and

2. Update the lifecycle assessment (LCA) science underpinning the LCFS. The current LCFS relies on lifecycle data which is not only more than a decade old but also has been shown with real-world experience and recent scientific work by Purdue University, Argonne National Laboratory, and other academic papers to grossly overestimate lifecycle emissions of a number of key alternative, low-carbon fuels like biodiesel, renewable diesel, and SAF.

[3] See Clean Fuels-CABA joint letter, dated May 3, 2022, https://www.arb.ca.gov/lists/com-attach/54-sp22-econ-health-ws-UTJXPVE1ADICagNc.pdf.

Deep electrification in transportation, especially in the light-duty sector, is important and necessary, but it is many years away in the heavy duty on- and off-road sectors, even by CARB's own projections. As we have recommended in past comments[4,5,6], the state should pursue a parallel strategy of deep electrification and deep decarbonization of existing liquid petroleum fuels.

For the heavy duty sector, completely displacing petroleum diesel (about 3.4 billion gallons) by the 2030-2035 timeframe with low carbon biodiesel and renewable diesel is achievable through setting more stringent LCFS targets, establishing appropriate policy mechanisms to incentivize greater use of such fuels, and eliminating barriers to deeper deployment of biomass-based diesel and other low carbon fuels. For example, heavy duty vehicle fleets can now achieve 100% sustainability -- with little to no additional cost in fuel, fueling infrastructure, or engines/equipment -- through the use of biomass-based, drop-in fuel blends such as R80/B20 (80% renewable diesel, 20% biodiesel). Such a straightforward and immediately achievable step can significantly reduce GHGs, diesel PM, NOx, and other pollutants now and over the next several decades without interfering with the state's continuing pursuit of electrification, which will take many years or decades. An optimized mix of policies, incentives, and barrier-reduction strategies can accelerate this decarbonization of the onroad and offroad heavy duty vehicle and equipment pool, including marine and rail applications. This would be especially beneficial for environmental justice communities, many of which are located near high-diesel use sites such as ports, railyards, logistics, and freight corridors.[7]

[4] See NBB and CABA joint comment letter, dated Jan. 7, 2022, at https://www.arb.ca.gov/lists/com-attach/125-lcfs-wkshp-dec21-ws-BWsCZlY1U18LbFM9.pdf, accessed May 3, 2022, incorporated herein by reference.
5 See Clean Fuels comment letter, dated March 7, 2022, at https://www.arb.ca.gov/lists/com-attach/14-sp22-publichealth-ws-UjFcNlA0AjABaQhX.pdf, accessed May 3, 2022, incorporated herein by reference.
[6] See Clean Fuels and CABA joint comment letter, dated April 4, 2022, at https://www.arb.ca.gov/lists/com-attach/60-sp22-modelresults-ws-UTJSOFYyUGIAaAlW.pdf, accessed May 3, 2022, incorporated herein by reference.
[7] See discussion of Trinity Study on the substantial health benefits of reducing diesel PM by switching from petroleum distillate to biomass-based diesel at multiple sites across the U.S., including four California sites, FN 4 op cit., at 4-6.

Conclusion

We applaud and support CARB's efforts to aggressively address climate change, air quality, and environmental justice in a holistic manner through the Scoping Plan Update. Toward that end, we support Alternative 3 but believe it should be more aggressive and seek the complete displacement of petroleum diesel with drop-in, commercially available biodiesel and renewable diesel. This will enable the state to substantially reduce its petroleum dependency while it continues to pursue electrification in heavy duty transportation. We also strongly recommend that staff pursue the next LCFS rulemaking immediately after the Scoping Plan proceeding with the improvements as noted above.

Thank you for your consideration of these comments. We look forward to continuing our strong collaboration with CARB and staff.

Sincerely,

Floyd Vergara, Esq., P.E.
Director of State Governmental Affairs
Clean Fuels Alliance America

Rebecca Baskins
Executive Director
California Advanced Biofuels Alliance