

June 23, 2022

Ms. Rajinder Sahota 2022 Scoping Plan Update California Air Resources Board 1001 I St. Sacramento, CA 95814

RE: World Energy Comments on the May 10, 2022, Draft Scoping Plan

Dear Ms. Sahota,

World Energy appreciates the opportunity to engage and participate in the development of the 2022 Scoping Plan. Congratulations on a draft Scoping Plan that is both highly ambitious and shows demonstrable positive economic impacts. World Energy supports the selection of Alternative 3 as the best path forward for California's environment and economy.

In response to the draft Scoping Plan, World Energy wishes to provide the following comments:

The proposal to accelerate LCFS targets both before and after 2030 is urgently needed in the renewable fuel industry. LCFS values are trading at low prices, indicating the success to-date of the program, and that the California Air Resources Board (CARB) can be even more aggressive with its targets in the future. Allowing transportation fuels to contribute more to California's overall reduction targets is an important proposal, given the large share of emissions that are produced from transportation.

Strategies to incentivize greater private investment in renewable fuels are a welcome priority. In part, this could be achieved through the Energy Commission's Clean Transportation Program. However, in the next two fiscal years the Energy Commission is planning to spend less than 4% of its total dollars available on alternative fuels. World Energy has been a recipient of some of this important funding in the past and provided significant economic development and renewable fuel in Southern California as a result. We are appreciative for existing funding opportunities. However, transitioning the combustion fuels that are in use for the next several decades is a greater need than existing funding allocation indicates. As the Scoping Plan modeling shows, there will be continued use of combustion fuels throughout the next decades. In addition to electrifying, it is imperative to transition combustion fuels from fossil-based to clean, sustainable fuels.

Another strategy to incentivize greater private investment is represented in an Assembly Bill currently under consideration by the State Legislature. AB 1322 (R. Rivas) would direct CARB to develop an incentive plan for more Sustainable Aviation Fuel (SAF) production in the state. World Energy strongly supports the passage of this bill to transition our aviation sector as quickly as possible.

## PARAMOUNT FACILITY

AltAir Paramount, LLC 14700 Downey Avenue, Paramount, CA 90723 P. 562.531.2060 (Main) | E. <u>info@worldenergy.net</u> | W. <u>worldenergy.net</u>





Within the selected scenario utilized in the Scoping Plan, there is further opportunity to reduce GHGs from the transportation sector using SAF, or "renewable jet fuel" as referenced in the Scoping Plan. World Energy alone will be producing hundreds of millions of gallons of SAF in California within the next five years. The selected scenario shows zero utilization of SAF until 2031, and even then it is small (0.0069 EJ, or 54 million gallons). Today, World Energy is producing SAF and generating LCFS credits, and by 2030 we will have up to 350 million gallons of renewable fuel production capacity. In addition to the announced renewable diesel expansion projects, our industry is clearly capable of delivering further emission reduction benefits to California beyond what is modeled. We recommend that the PATHWAYS data be updated to integrate our SAF production capabilities.

## About World Energy and Its Low-Carbon Products

World Energy is a global supplier of biofuels, with seven biodiesel production facilities and one SAF + renewable diesel (RD) facility, totaling over 300 million gallons of annual renewable fuel production capacity among our assets. Our SAF/RD facility located in Paramount, California is currently being converted to the world's most advanced clean energy facility that will produce approximately 350 million gallons of low carbon fuels per year with completion anticipated in late 2024. We have achieved this production in accordance with California's strict environmental permitting and while paying a living wage to our local workforce. This achievement is due in part to the Low Carbon Fuel Standard and the success of CARB's programs.

Among the other fuels World Energy produces, our SAF is fully approved by ASTM and is widely used in commercial aircraft today, most recently at Los Angeles International Airport. Compared to conventional fossil jet fuel, SAF provides an immediate and increasing opportunity to decarbonize aviation, a sector that will be incredibly difficult to electrify by California's midcentury climate goals.

World Energy's SAF is a drop-in fuel providing near-term opportunities for reducing harmful air pollution in communities adjacent to airports. SAF has verified significant emission reductions of particulate matter (PM) and sulfur oxides (SOx), moderate reductions of carbon monoxide (CO) and unburned hydrocarbons (UHC), as well as reductions in emissions of oxides of nitrogen (NOx). SAF yields significant reductions in the net life-cycle carbon dioxide (CO<sub>2</sub>) emissions from aviation operations.<sup>1</sup>

## PARAMOUNT FACILITY



<sup>&</sup>lt;sup>1</sup> "Sustainable Aviation Fuel: Greenhouse Gas Reductions from Bay Area Commercial Aircraft". Bay Area AQMD. October 2020. <u>https://www.baaqmd.gov/~/media/files/planning-and-research/research-and-modeling/saf-reportfinal-for-distribution-to-baaqmd-pdf.pdf?la=en</u>



On September 9, 2021, the Biden Administration announced a plan to reach three billion gallons of SAF and reduce aviation emissions by 20% by 2030.<sup>2</sup> With that in mind, World Energy urges California to do everything it can to reduce emissions in hard-to-decarbonize sectors, including aviation. World Energy's production of a suite of renewable fuels in California positions us to support CARB's decarbonation goals as well as contribute to the Biden Administration's SAF goal.

We appreciate CARB's hard work during this process, and we look forward to continuing to support the Scoping Plan development.

Sincerely,

Leeor Alpern

Leeor Alpern Senior Director of Government Relations and Public Affairs

**PARAMOUNT FACILITY** 

<sup>&</sup>lt;sup>2</sup> "FACT SHEET: Biden Administration Advances the Future of Sustainable Fuels in American Aviation". The White House. September 2021. <u>https://www.whitehouse.gov/briefing-room/statements-releases/2021/09/09/fact-sheet-biden-administration-advances-the-future-of-sustainable-fuels-in-american-aviation/</u>