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October 29, 2020

California Air Resources Board 1001 I Street Sacramento, California 95814

RE: WSPA Comment Letter on CARB Alternative Diesel Fuel Amendments

On October 14th, 2020, the California Air Resources Board (CARB) released proposed modifications to the Regulation on the Commercialization of Alternative Diesel Fuels (ADF). These modifications were added to the regulation at the request of the Board to provide the Executive Officer the discretion on both the number of laboratories required for certification testing, and lower renewable diesel blend ratios for approved ADF formulations.¹ The Western States Petroleum Association (WSPA) appreciates this opportunity to provide comments on the proposed 15-Day Modifications (Attachment A)² to the ADF regulation.

Section (a)(1)(B) Approved ADF Formulations (Page 5)

The approved renewable hydrocarbon diesel formulation #1 (with 75% renewable hydrocarbon diesel) is redundant and therefore no longer necessary, as formulation #2 with 55% renewable hydrocarbon diesel includes formulations with 75% or higher renewable hydrocarbon diesel content. WSPA suggests simplifying the language by only referencing a single formulation with 55% or higher renewable hydrocarbon diesel.

Section (a)(1)(G)1. Candidate fuel with renewable diesel (Page 19)

Section (a)(1)(G)1 summarizes the process for determining if a tested candidate fuel that contains renewable hydrocarbon diesel fulfills the requirements for certification. The proposal states that the average NOx emissions of a tested candidate fuel must demonstrate at least 2% reduction relative to that of Diesel Test Fuel. WSPA asks if there is a minimum and/or maximum renewable hydrocarbon diesel content and recommends that the regulation be clarified to address this by either stating the content or advising that a specific renewable hydrocarbon diesel content is not required.

Section (a)(1)(J) Deadline for recertification (Page 22)

The April 1, 2021 proposed deadline to recertify all formulations does not provide sufficient time to perform all tasks required under the proposed amendments. Per the rulemaking's original schedule, the ADF regulation would have become effective January 1, 2021. Given the addition of more than six months to the rule making timeline through the addition of these proposed modifications, the qualification window is now reduced to 3 months, as opposed to the originally planned 9 months. Such a narrow qualification window can create instability within the LCFS market, particularly for biodiesel.

¹ See State of California, Air Resources Board, Board Hearing Transcript. April 23 (2020). Page 116 (16-20), Page 117 (7-17, 23-25), Page 118 (1-8, 23-25). Available at: https://www.arb.ca.gov/board/mt/2020/mt042320.pdf.

Accessed October 2020.

² Proposed 15-Day Modifications to the ADF Rule, Attachment A. Available at:

https://ww3.arb.ca.gov/regact/2020/adf2020/15dayatta.pdf. Accessed October 2020.



As a result of these new testing requirements, there is a high likelihood that biodiesel cannot be fully utilized in California to generate credits for most of 2021. Considering further potential delays due to impacts from COVID, WSPA suggests a deadline of at least December 31, 2021 to provide sufficient lead time for all the testing to be performed according to the proposed amendments.

Thank you for consideration of our comments. We would welcome the opportunity to discuss these ideas in more detail with you. If you have any immediate questions, please feel free to contact me at <u>troberts@wspa.org</u>.

Sincerely,

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Tiffany K. Roberts, Vice President, Regulatory Affairs Western States Petroleum Association