

17 February 2015

Clerk of the Board, Air Resources Board  
ATTN: Mary Nichols, Chairman  
1001 I Street, PO Box 2815  
Sacramento, California 95812

Re: Notice of Public Hearing to Consider the Proposed Regulation on the Commercialization of Alternative Diesel Fuels

Dear Chair Nichols and Air Resource Board Members:

Thank you for the opportunity to provide comments to the California Air Resources Board (CARB) regarding its re-adoption of the Low Carbon Fuel Standard (LCFS). Neste Oil US, Inc. respectfully presents the following comments for consideration.

As a part of the ARB's efforts in developing an alternative diesel fuel regulation, ARB staff considered renewable diesel. The ADF rule properly describes renewable diesel as a biomass-based diesel fuel made from biogenic feedstock sources. But, the fuel considered, tested, and described by ARB staff is more accurately described as renewable hydrocarbon diesel in that it consists solely of hydrocarbons and is indistinguishable from conventional diesel.

Unfortunately, the proposed definition is less accurate than the information presented in the Initial Statement of Reasons (ISOR). The proposed ADF regulation uses the term "non-ester renewable diesel". [Of note, staff in the Transportation Fuels Branch have proposed an alternative term and definition for the same product as a part of the Re-adoption of the Low Carbon Fuel Standard that uses the term "renewable diesel". At a minimum, we would encourage all programs under ARB to have unified definitions.] It is assumed that the origin of that term attempts to mirror the US EPA terminology. At that time that term was promulgated by US EPA, only the oxygenated biofuels (fatty acid methyl ester biodiesels or "FAME") were well known in the USA. There was no significant commercial experience with fungible renewable hydrocarbon diesel (RHD) in the USA.

The nomenclature "non-ester renewable diesel" would tend to exclude traditional biodiesel (fatty acid methyl-esters) but is not specific enough to exclude other oils that were not fungible hydrocarbons. It also attempts to define a fuel oil by what it is NOT rather than what it IS.

Confusion may exist in the market regarding fuels that are not fungible with conventional diesel and are not fully de-oxygenated but are nonetheless called "renewable diesel" and "non-ester renewable diesel". As such, that those terms are not ideal for use by the ARB in its regulations. As the ISOR describes ARB staff's evaluations and proposals regarding renewable diesel that is a hydrocarbon oil. The definition should reflect that fuel as accurately as possible.

We propose that the term "non-ester renewable diesel" be replaced with the term "renewable hydrocarbon diesel" (including references in the definitions of "Biodiesel Blend", "CARB Diesel", and Diesel Substitute".) We further propose that staff consult with the Transportation Fuels Branch and with

---

## Neste Oil – Houston

1800 West Loop South, Suite 1700  
Houston, Texas 77027  
Tel. 713.407.4400 Telefax. 713.407.4480

# NESTE OIL

the Department of Measurement Standards to align the nomenclature (“renewable hydrocarbon diesel”) within the various regulations that touch and regulate this fuel.

In order to further align the ADF definition with those in the Proposed LCFS Regulations, we propose including language indicating that the fuel is intended for use in a compression ignition engine and that it must comply with ASTM D975-14a (2014). A uniform definition throughout the various ARB regulations will help reinforce a consistent nomenclature and description, accurately describe the fuel with adequate specificity, as well as avoid unnecessary confusion within the agency.

The proposed definition uses “derived from nonpetroleum renewable resources” as descriptive language. This is less useful for the regulations purposes in that it uses the word ‘renewable’ in the definition. This is less useful for the regulations purposes in that it uses the word ‘renewable’ in the definition of ‘renewable diesel’ (potentially sloppy drafting), and attempts to define the fuel using a negative by what it is NOT rather than what it IS. A clearer definition would include the phrase “derived from biogenic sources” or “derived from biomass.” The commonly understood, plain-meaning of both “biomass” and “biogenic sources” are clear and adequate and no new or clarifying explanation would be required in the regulations.

Accordingly, we propose the following definition (to be used in both ADF and LCFS regulation):

“Renewable Hydrocarbon Diesel” means:

- a) a hydrocarbon oil meant for combustion in compression ignition engines;
- b) derived from biomass;
- c) not a mono-alkyl ester;
- d) registered as a motor vehicle fuel or fuel additive under 40 CFR part 79; and
- e) complies with ASTM D975-14a, (2014) *Specification for Diesel Fuel Oils*

Neste Oil looks forward to continued participation in the California fuel market and the success of the Alternative Diesel Fuel regulation. Please do not hesitate to contact me if at 713.407.4415 or Dayne.Delahoussaye@nesteoil.com if you have any questions regarding the foregoing.

Respectfully submitted,

**NESTE OIL US, INC.**



Dayne Delahoussaye