



Submitted Via CARB Comment Submittal Form

May 31, 2023

Dr. Cheryl Laskowski
California Air Resources Board
1001 I Street
Sacramento, CA 95812

Re: Valero Renewable Fuels Comments on Proposed Changes for Tier 1 Simplified Calculators – Starch and Fiber Ethanol

Dear Dr. Laskowski:

On behalf of the Valero family of companies (representing operating subsidiaries of Valero Energy Corporation—collectively “Valero”), I appreciate the opportunity to provide these comments regarding proposed changes for the Tier 1 Simplified Calculators. This letter addresses the proposed Tier 1 Simplified Calculator for starch and fiber ethanol.

In addition to being the nation’s largest independent refiner of petroleum fuels, Valero is one of the top producers of domestic biofuels. Valero was the first traditional petroleum refiner to enter large-scale ethanol production and is now the second largest ethanol producer in the U.S., with 12 ethanol plants in the U.S. and a total annual production capacity of 1.6 billion gallons per year. Valero is among the leading producers of ultra-low-carbon cellulosic ethanol and we are aggressively pursuing measures to reduce the carbon intensity of our ethanol production through carbon sequestration. Meanwhile, Valero continues to supply the California market with both traditional refined fuels and renewable fuels. With innovation in feedstocks and production processes and carbon capture opportunities, Valero’s low-carbon liquid fuels have outperformed, and have the continuing potential to outperform, the mandated technology choices of the California Air Resources Board (“CARB”) in its 2022 Scoping Plan, on a full life-cycle carbon intensity basis as well as on a cost basis.

Comments on CARB’s Proposed New Tier 1 Simplified Calculator for Starch and Fiber Ethanol

CARB’s publication of additional Tier 1 calculators encourages participation in the Low Carbon Fuel Standard (“LCFS”) program by lowering the barrier to entry for potential fuel

pathway holders. As such, Valero supports CARB's development of a Tier 1 calculator for starch and fiber ethanol. Valero also suggests the following enhancements to a Tier 1 calculator for starch and fiber ethanol.

I. Denaturant

CARB has updated the Tier 1 calculator to include denaturant for all ethanol production. However, many ethanol plants do not denature all production, as some ethanol volumes may be sold into markets that prefer undenatured (such as international markets). Additionally, some volumes sold into non-California markets may be denatured at an off-site terminal prior to delivery. Given these nuances, CARB should allow for ethanol producers to use denaturant consumption volumes only on ethanol volumes that were actually denatured.

II. Carbon Capture and Sequestration

An option to include carbon intensity reductions via carbon capture and sequestration ("CCS") should be included directly within the calculator rather than requiring an applicant to develop the calculations outside of CARB's standard file.

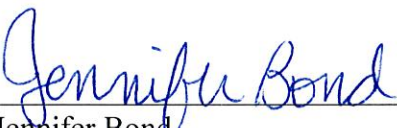
III. Additional Renewable Feedstocks

Additional options for renewable feedstocks (in the form of electricity, natural gas, etc.) should also be included in the Tier 1 calculator via a joint application with another entity.

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Valero appreciates the opportunity to provide feedback at this critical stage of the LCFS amendments development. Should you have any questions, please contact me at 210-345-4239 or via email at Jennifer.Bond@Valero.com.

Sincerely,


Jennifer Bond

Director Fuel Regulatory Planning & Assurance