



December 20, 2022

Ms. Cheryl Laskowski, Branch Chief
Transportation Fuels Branch
California Air Resources Board
1001 I St
Sacramento, CA 95814

Re: Comment on Low Carbon Fuel Standard Workshop November 9, 2022; specifically regarding the classification of Distillers Corn Oil (DCO)

The Iowa Renewable Fuels Association (IRFA) is the independent, state trade association representing ethanol, biodiesel, renewable diesel, and renewable natural gas producers from across Iowa. In total, Iowa has 42 ethanol refineries capable of producing over four and half billion gallons annually, accounting for about a thirty percent of the United States total ethanol production. Iowa is also the largest biodiesel producing state, with 11 plants capable of producing over 400 million gallons annually. Iowa also has a growing number of renewable natural gas producers. California is a major market for each of these low carbon, renewable fuel segments.

IRFA members are confused and alarmed about CARB's proposal to reclassify Distillers Corn Oil (DCO) as a virgin vegetable oil. This move would defy current definitions and practices, as well as past CARB actions. If finalized it could strand millions of dollars of investment – investment made to help California meet its low carbon goals – but worse, it could jeopardize future attainment of aggressive carbon reduction aspirations by unnecessarily restricting the use of one of the most attractive low carbon feedstocks for biofuels production.

As CARB staff should know, ethanol plants produce DCO as a coproduct of ethanol production along with distillers grains livestock feed and biogenic CO₂. The DCO is mostly used as a low-carbon feedstock for biodiesel, renewable diesel, and sustainable aviation fuel (SAF) production. DCO is not fit for human consumption like virgin oils without extensive further refining.

In fact, the U.S. Environmental Protection Agency (EPA) reiterates this understanding of DCO usage under the Renewable Fuel Standard (RFS) with the following definition: "*Distillers corn oil means corn oil recovered at any point downstream of when a dry mill ethanol or butanol plant grinds the corn, provided that the corn starch is converted to ethanol or butanol, the recovered oil is unfit for human food use without further refining, and the distillers grains remaining after the dry mill and oil recovery processes are marketable as animal feed.*" (emphasis added)

Though DCO is used as feedstock for the creation of biodiesel, renewable diesel, and sustainable aviation fuel (SAF) like virgin oils that is where similarities end. As the U.S. EPA definition states above, DCO does not compete in these edible oil markets, as it's unfit for human consumption without major, costly upgrades.

The EPA and CARB have long supported the use of DCO as a low carbon, waste oil feedstock. It would be detrimental to California's Low Carbon Fuel Standard (LCFS) program if there is a sudden change in policy to reclassify DCO as a virgin oil, and either capping and/or changing how its carbon intensity is measured. The LCFS has been a major national driver in low carbon fuel use and the push toward net zero energy. However, if the proposed changes are made, we would see a major step backwards to this achieving this ultimate goal. It would also raise questions about the stability of the LCFS program that could undermine future investments in technologies designed to help reduce carbon emissions from not just on-road vehicles, but aviation as well.

IRFA and its members firmly believe California's Low Carbon Fuel Standard should encourage, not prohibit, low carbon feedstocks like DCO along with other inedible fats, oils, and greases.

If you have additional questions, please contact me at mshaw@lowaRFA.org or 515-252-6249. Also, if you or any of your staff would ever be interested in touring an Iowa biofuel production facility and other aspects of the biofuels supply chain in Iowa, IRFA and its members would love to host you.

Sincerely,

A handwritten signature in black ink that reads "Monte Shaw". The signature is written in a cursive, slightly slanted style.

Monte Shaw
Executive Director
Iowa Renewable Fuels Association