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Steven D. Smith
Director, Climate & Regulatory Affairs
Phillips 66
1075 W. Sam Houston N., Suite 200
Houston, TX 77043
Steven.d.smith@p66.com

California Air Resources Board
1001 I Street
Sacramento, CA 95814
Submitted Electronically to: www.arb.ca.gov/listpub

Re: 2022 Scoping Plan Update – Draft Scenario Inputs Technical Workshop – September 30, 2021

Dear ARB,

Phillips 66 appreciates the opportunity to comment on the September 30, 2021 workshop on 2022 Scoping Plan Draft Scenario Inputs. Phillips 66 is a major refiner and marketer of transportation fuels and other products in California.

We support the comments submitted by the Western States Petroleum Association (WSPA) but wish to emphasize specific recommendations on the scenario modeling assumptions.

General

Phillips 66 understands that Alternatives 1-4 attempt to bracket the range of scenarios from the Alternative 1 low-combustion high-electricity 2035 scenario to the Alternative 4 2045 higher-combustion scenario. We appreciate the shared details in CARB's 11-page Scenario Modeling Assumptions document. Most of our below comments are directed at the assumptions for Alternatives 3 and 4 to provide better bracketing of the Alternatives.

Truck ZEVS

Phillips 66 is today producing and supplying renewable diesel at our Rodeo (San Francisco) Refinery for California consumers. As you know, our planned "Rodeo Renewed" project (see link) will convert the refinery from processing crude oil to producing even more renewable products in 2024. Renewable diesel will be a primary product.

We recommend that all alternatives, and Alternatives 3 and 4 at a minimum, reflect some continuing sales of diesel truck technology beyond 2035-2040. This would better recognize the strong combination of new low-NOx engines meeting California new low-NOx standards and renewable diesel, which may prove to be the best vehicle/fuel combination for many truck and offroad engine applications. This recommendation we feel better brackets Alternatives 1 through 4 for truck and offroad technology.

Aviation

In April of this year, Phillips 66 and Southwest Airlines signed a memorandum of understanding (see link) to advance the commercialization of low-carbon sustainable aviation fuel (SAF). This sets the framework to explore a future supply agreement that could involve the Phillips 66 Rodeo Renewed project supplying SAF.

Various other announcements by airlines and other fuel suppliers are framing the future of SAF to reduce the carbon footprint of aviation.

Alternatives 1-4 do not reflect the reality of future SAF use in California aviation. We recommend, at a minimum, that Alternatives 2-4 reflect a range of SAF use for both intrastate and interstate aviation travel.

Petroleum Refining

Refining in California is evolving to reduce facility greenhouse gas emissions and to produce lower-carbon fuels. As described above, our Rodeo Refinery is planning a major transformation that will accomplish both of these two objectives. The evolution of California refining will be different for every company and facility but should broadly include improvements in energy efficiency, use of renewable electricity, use of produced biogas and/or renewable natural gas, use of low-carbon hydrogen and potential deployment of geologic carbon capture and storage.

We recommend that CARB assume continued operation of refineries in California in Alternatives 1-4, but with the changes described above. Production should not be reduced in-line with petroleum demand because the refineries may evolve to produce increasing volumes of renewable products even as they may reduce production of petroleum products. Alternatives 2-4 should therefore reflect the reality of both changing petroleum product demand and increasing renewable product demand.



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Thank you for this opportunity to submit comments. You can reach me at 832-765-1779 or steven.d.smith@p66.com.

Best Regards,



Steven D. Smith

Links to Phillips 66 News Releases:

<https://investor.phillips66.com/financial-information/news-releases/news-release-details/2020/Phillips-66-Plans-to-Transform-San-Francisco-Refinery-into-Worlds-Largest-Renewable-Fuels-Plant/default.aspx>

[RodeoRenewed](https://www.rodeorenewed.com) or www.rodeorenewed.com

[Phillips 66 | Phillips 66 and Southwest Airlines collaborate to advance sustainable aviation fuel](#)



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