



April 4, 2022

California Air Resources Board
1001 I Street
Sacramento, CA 95814

The Clean Fuels Alliance America (Clean Fuels)¹ and California Advanced Biofuels Alliance (CABA)² appreciate the opportunity to provide comments on the California Air Resources Board's (CARB) 2022 Scoping Plan Update - Initial Modeling Results, which were discussed at a workshop held on March 15, 2022 (Scoping Plan). Clean Fuels and CABA have been longtime supporters of the state's overall climate and air quality improvement goals and have collaborated frequently with CARB staff toward achieving those goals. We continue to support California's efforts to decarbonize its economy, especially the transportation sector.

Our California member producers and marketers support over 3,900 well-paying jobs in the state and about \$960 million in economic activity each year. Further, the biodiesel, renewable diesel, and sustainable aviation fuel supplied to the state by our California and national members provide nearly half (45%) of the carbon reductions under California's groundbreaking Low Carbon Fuel Standard (LCFS), growing to the point where over a quarter (27%) of each gallon of on-road diesel fuel consumed in the state is made from our low carbon fuels. Our sustainable replacements for petroleum diesel have been a major factor driving California's continuing large scale transformation of transportation from petroleum based toward a carbon neutral system.

While we support the state's efforts to update the Scoping Plan, we are disappointed in the results presented at the March 15th workshop and believe the state is missing a very critical opportunity to quickly decarbonize the transportation sector by identifying scenarios that can achieve the deepest and most immediate carbon reductions, especially in the most difficult to decarbonize and electrify sectors -- heavy duty on- and off-road vehicles, marine, rail, and aviation -- exactly the sectors which our fuels are providing substantial and immediate carbon and diesel particulate matter (PM) reductions today, not years or decades from now.

¹ Clean Fuels is the U.S. trade association representing the entire supply chain for biodiesel, renewable diesel, and sustainable aviation fuel.

² California Advanced Biofuels Alliance is a not-for-profit trade association promoting the increased use and production of advanced biofuels in California. CABA represents biomass-based diesel (BMBD) feedstock suppliers, producers, distributors, retailers, and fleets on state and federal legislative and regulatory issues.

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Our comments reinforce previous comments we have submitted on the Scoping Plan and LCFS updates (incorporated herein by reference)^{3,4}.

Heavy-Duty Electrification is Neither Deep Enough Nor Fast Enough to Address Climate Change

The latest climate change report from the U.N. paints a stark and unequivocal picture:

"... unless there are immediate, rapid and large-scale reductions in greenhouse gas emissions, limiting warming to close to 1.5°C or even 2°C will be beyond reach. The [AR6] report shows that emissions of greenhouse gases from human activities are responsible for approximately 1.1°C of warming since 1850-1900, and finds that averaged over the next 20 years, global temperature is expected to reach or exceed 1.5°C of warming."⁵ [emphasis added.] And "[w]ithout deep carbon pollution cuts now, the 1.5-degree goal will fall quickly out of reach."⁶

Note the three key operative words in the above passage: "immediate," "rapid," and "large-scale." Electrification is an appropriate goal that should be pursued, especially in light duty vehicles, but it should not be pursued to the exclusion of other feasible strategies that achieve immediate, rapid, and large-scale carbon reductions. Large-scale deployment of electric light-duty passenger cars and trucks appears to be gathering sustainable momentum. However, California cannot and should not wait many years or decades for large-scale, rapid, and immediate electrification in the difficult-to-electrify heavy duty sectors -- especially when rapid, immediate, and large-scale decarbonization in these sectors is feasible now and in the near future through massive displacement of petroleum fuel with biofuels like biodiesel and renewable diesel.

Immediate, Rapid, and Large-Scale Decarbonization is Feasible with Biofuels

In short, California must consider the complete displacement of petroleum diesel with biofuels like biodiesel and renewable diesel prior in the 2030-2035 timeframe while it pursues electrification in both light and heavy duty sectors. As we noted in our previous comments,⁷ the virtually complete displacement of 3.4 billion gallons of petroleum diesel with an equivalent amount of biodiesel and renewable diesel is achievable in that timeframe. This action, by itself,

³ See NBB and CABA joint comment letter, dated Sept. 3, 2021, at <https://www.arb.ca.gov/lists/com-attach/25-sp22-concepts-ws-VzkAZFixUVOCZwJj.pdf>, accessed April 4, 2022.

⁴ See NBB and CABA joint comment letter, dated Jan. 7, 2022, at <https://www.arb.ca.gov/lists/com-attach/125-lcfs-wkshp-dec21-ws-BWsCZlY1U18LbFM9.pdf>, accessed April 4, 2022.

⁵ Press Release, Intergovernmental Panel on Climate Change (IPCC), August 9, 2021, <https://www.ipcc.ch/2021/08/09/ar6-wg1-20210809-pr/>, accessed April 4, 2022.

⁶ United Nations Secretary-General Statement on AR6 Report, August 9, 2021, <https://www.un.org/sg/en/content/secretary-generals-statement-the-ipcc-working-group-1-report-the-physical-science-basis-of-the-sixth-assessment>, accessed April 4, 2021.

⁷ NBB and CABA joint comment letter, Sept. 3, 2021, op cit.

would help California reduce GHGs from the heavy duty sector by 80% or more⁸ while it pursues electrification in all sectors. None of the four scenarios discussed at the March 15th workshop present this type of scenario and the benefits that would be expected from such a scenario.

California Can and Should Model Much Greater Carbon Reductions Under the LCFS, At Least on Par with Oregon

We are concerned about the modeling results presented at the March 15th workshop since they seem to imply that further reductions under the LCFS were considered in one only scenario (Alternative 1), which reflects results for a 25% carbon intensity (CI) reduction by 2035 but only a 20% CI reduction for the remaining three scenarios (Alternatives 2, 3, and 4). Since the current LCFS regulation already has a 20% CI reduction target by 2030, the modeling results suggest that three of the four scenarios essentially flatlined the LCFS targets after 2030 and only one scenario considered any sort of further reductions beyond the current 20% requirement already in effect.

Moreover, there are no apparent reasons presented as to why the LCFS could not be modeled to achieve greater carbon reductions beyond the modeled 25% CI reduction. Recently, Oregon's Department of Environmental Quality (DEQ) staff proposed new CI reduction targets for stakeholder input as part of its ongoing effort to expand the state's Clean Fuels Program (CFP). In its posting, DEQ proposes a 20% CI reduction target by 2030, and a 37% CI reduction by 2035.⁹ If adopted, that 37% CI reduction target would far outdistance California's Scoping Plan modeling of a mere 25% CI reduction target (and in only its most aggressive scenario, Alternative 1). It is difficult to understand how Oregon can consider a 37% CI reduction as potentially feasible while California limits its modeling to only a 25% reduction at most and for only one scenario.

This apparent self-limitation is even more inexplicable given that the LCFS is widely acknowledged as one of California's most effective GHG reduction programs. It has been hugely successful to date, displacing 19.5 billion gasoline gallon equivalents since the start of the program in 2011.¹⁰ With that demonstrated track record, CARB should be looking to get even further and faster CI reductions under the LCFS, not less or flatlined.

⁸ Current LCFS fuel pathways, https://ww2.arb.ca.gov/sites/default/files/classic/fuels/lcfs/fuelpathways/current-pathways_all.xlsx, accessed March 23, 2022. For example, several California facilities (including New Leaf Biofuels in San Diego, Crimson Renewable Energy in Bakersfield, and Biodico Westside in Five Points) produce biodiesel fuel with carbon intensities comparable to California grid-average electricity used for electric vehicles.

⁹ See Oregon Clean Fuels Program Expansion Rulemaking Advisory Committee meeting, March 31, 2022, <https://www.oregon.gov/deq/rulemaking/Documents/cfp2022m3Targets.pdf>, accessed April 4, 2022.

¹⁰ LCFS Quarterly Data Summary, https://ww2.arb.ca.gov/sites/default/files/2022-01/quarterlysummary_013122_0.xlsx, accessed April 4, 2022.

More Transparency Needed in the Scoping Plan Process

It is clear that CARB staff and their contractors have put a tremendous amount of work into the Scoping Plan modeling and other elements to date. While commendable, we note the difficulty in being able to better assess the modeling done to date. This is because the modeling results presented have been very high level and without the specific underlying data, inputs, assumptions, and outputs. CARB should make those sources of information available immediately in the interest of better transparency and stakeholder input.

Conclusion

We applaud and support the state's efforts to aggressively address climate change, air quality, and environmental justice in a holistic manner through the Scoping Plan Update. With that said, we note a number of deficiencies and concerns with the modeling done to date. To address these, we strongly recommend CARB consider as part of its modeling the immediate, rapid, and deep deployment of biofuels, especially in the heavy duty on- and offroad sectors; make greater use of the highly successful LCFS program to achieve deeper carbon reductions in transportation fuels; and provide more transparency by making available all underlying data, assumptions, basis, and other information that form the basis for its modeling scenarios and runs.

Thank you for your consideration of these comments. We look forward to continuing our strong collaboration with California.

Sincerely,



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