240 Route 10 West
P.O. Box 206
Whippany, NJ 07981-0206

www.suburbanpropane.com

Paul M. Rozenberg
Senior Manager
Government Affairs & Corporate Communications

ddagan@suburbanpropane.com
(p) 973.503.9967
(c) 201.452.3748

October 10, 2022

VIA ELECTRONIC SUBMISSION
Chairwoman Liane Randolph
California Air Resources Board
1001 I Street
Sacramento, CA 95814

RE: Comments on Proposed Advanced Clean Fleets Regulations

Dear Chairwoman Randolph:

Suburban Propane, L.P. (Suburban Propane) has served customers for almost 95 years and is the nation's third-largest propane retailer with operations in 42 states. In California, Suburban Propane distributes propane, renewable propane, and Propane+rDME to more than 60,000 customers. The Company employs over 200 people at 71 locations throughout the state.

As a result of Suburban Propane's presence in California, we write in regard to the proposed Advanced Clean Fleets (ACF) regulations. In 2020, we made a strategic investment in Oberon Fuels, a California entity producing renewable dimethyl ether (rDME). With the support of Suburban Propane, Oberon Fuels became the world's first commercial producer of rDME. In the first quarter of 2022, we began commercially selling Propane+rDME. rDME is an innovative, sustainable fuel, produced from renewable feedstocks, such as, forestry biproducts, food and agricultural waste, and biogas from anaerobic digesters and landfills. When combined with propane, a low-carbon energy source is created that can be used in existing and new on- and off-road propane engines to further reduce the carbon intensity (CI) and greenhouse gas emissions of those assets.

Suburban Propane supports California's goal of reducing greenhouse gas emissions in its transportation sector, and some of the State's policies to achieve this goal have been very successful, particularly the technology-neutral Low Carbon Fuel Standard (LCFS). However, the proposed ACF regulations will be ineffective at reducing carbon emissions, while enacting an unrealistic timeline towards total electrification of medium- and heavy-duty vehicles and imposing severe hardships on businesses. We urge CARB to continue using the LCFS approach that embraces all available low-carbon fuels, as a primary vehicle for reducing transportation carbon emissions, and expand the program by introducing new CI benchmarks beyond 2030.

As currently drafted, the proposed ACF regulations would require all fleets using box trucks, vans, two-axle buses, yard trucks, and light-duty delivery vehicles to be zero-emission by 2035, while all new medium- and heavy-duty vehicles sold by manufacturers in California must be zero-emission beginning Model Year 2040.

A "zero-emission vehicle" or "ZEV" is defined in the regulations as "a vehicle with a zero-emissions powertrain that produces zero exhaust emission of any criteria pollutant (or precursor pollutant) or greenhouse gas under any possible operational modes or conditions." While not expressly stated in the proposed amendments, it clearly prioritizes electricity over most other low-carbon fuels as the only vehicles that conform with the ZEV definition are electric or fuel cell. This was drafted under the implied assumption that electricity is, and will forever be, the option with the lowest carbon intensity.

However, this assumption is incorrect. Electricity is one tool for reducing the state's carbon emissions, but rapid electrification is not the most efficient or productive way to lower carbon emissions as it neglects other currently available options, including traditional and renewable propane. According to CARB's own analysis, grid electricity used as transportation fuel has a CI score of 75.93.[1] Meanwhile, renewable propane has a range of CI scores from 43.5 to 20.5[2], and Propane+rDME will likely have an even lower CI score.

Further, many companies with fleets of medium- and/or heavy-duty vehicles would suffer. Such ZEVs cost considerably more than other vehicles, and their reliability remains questionable as they are unable to achieve similar horsepower and torque with the batteries currently available. Supply chains would be subject to significant delays as drivers would need to spend significant amounts of time charging their vehicles. Technology will advance between now and 2035/2040, but not enough to ameliorate these issues.

We encourage the Board not to focus on promoting electric energy, but rather continue using the LCFS as a primary driver for reducing transportation carbon emissions. The program has been incredibly successful; according to a recent CARB presentation, "fuels supported by the LCFS displaced over 2.7 billion gallons of petroleum fuel in 2021."[3]

To further reduce emissions, CARB should also consider expanding the LCFS by adopting new CI benchmarks beyond 2030. The current LCFS regulation has one final benchmark for 2030 and subsequent years: 79.55 for fuels used as a substitute for gasoline and 80.36 for diesel and conventional jet fuel substitutes. Establishing consistently decreasing CI benchmarks beyond 2030 will help ensure the continued reduction of carbon emissions and further incentivize the production of lower and lower-carbon fuels.

For the reasons above, we urge the Board to focus on expanding the LCFS, an objectively successful program, in order to further reduce greenhouse gas emissions in the transportation sector, instead of pursuing electrification

[1] See https://ww2.arb.ca.gov/resources/documents/lcfs-pathway-certified-carbon-intensities (accessed October 6, 2022)
[2] Id.
[3] See https://ww2.arb.ca.gov/sites/default/files/2022-08/August%202022%20Workshop%20Slide%20Deck%20Presentations.v16.pdf (accessed October 6, 2022)

in a misguided effort to find a silver bullet. We would appreciate the opportunity to discuss with you how such law-carbon energy sources, such as traditional propane, renewable propane, and rDME, can play a role in lowering California's carbon footprint. Thank you for your consideration.

Sincerely,

/s/ Paul M. Rozenberg

Paul M. Rozenberg
Sr. Manager, Government Affairs &
Corporate Communications
Suburban Propane, L.P.