April 22, 2020

California Air Resource Board

1001 I Street

Sacramento, CA 95814

**Imperial Western Products – Comments on Proposed ADF regulation**

Dear Chairman Nichols and Members of the Board,

I appreciate the opportunity to share IWP’s comments on the proposed ADF regulation. IWP has been producing biodiesel at our Coachella plant since 2002, and like most CA producers, we rely heavily on low-CI UCO feedstock. The impact of the COVID-19 is already being felt and we have seen a 30 % decrease in fuel demand to date. IWP’s employs over 320 people with 150 of those situated within a mile of a SB 535 Disadvantaged Community. We are in agreement with the NBB and CABA that the proposed amendments are both substantively and procedurally flawed.

I want to specifically bring attention to a few detrimental impacts that the proposed regulation would have on our company.

1. Economically unviable and logistically unworkable

A significant percentage of our fuel sales are additized at our facility, prior to delivery to small fuel distributors and truck stops. So far this year, we have seen a steady month-over-month increase in additIzed fuel sales, and expect that trend to continue. To continue selling additized fuel to these customers, practically speaking, would require one of two scenarios. First, a tanker partially loaded with RD would arrive at our facility and then additized biodiesel would be splash blended in the tanker, thus creating the exact blending ratio required. This will require significant additional fuel transportation distance (and associated emissions/cost) and would drastically increase truck traffic in our facility, necessitating expenditure on expanded loadout capabilities. Second option would be that the customer would need to install additional storage tanks and blending equipment at their facility. Customers will not be willing or able to pursue this option.

Avoiding these costly and unworkable scenarios is precisely why the aggregation approach to enforcing the RD to BD blend ratio is correct.

1. Limited Availability of RD

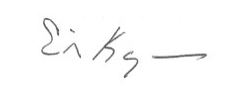
The current ratio proposed of 3.75 to 1 is too high and should be lowered to a scientifically justifiable value. As RD availability is limited, this ratio will directly constrain the amount of biodiesel and thus should not be set artificially high.

1. High cost of certification

The 2-lab certification process for an alternative blend level would cost in excess of half a million dollars and would simply be out of reach for a producer of our size.

In conclusion, the proposed amendments would severely curtail demand by imposing unnecessarily rigged constraints on the biodiesel blend levels and the distribution system as it currently is structured. IWP has a long history of working constructively with CARB to further our shared goal of a reducing emissions. I sincerely hope CARB will reassess the regulation taking into full account the potentially devastating impact it may have on the industry and in turn on the attainability of the 2030 reduction goals.

Sincerely,



Eric Kayser

Imperial Western Products Division manager