August 27, 2024

Chair Liane Randolph & Members of the Board
California Air Resources Board
1001 I Street
Sacramento, CA 95814

Via electronic submission

Re: Proposed 15-Day Changes to the Proposed Regulation Order

Dear Chair Randolph and Members of the California Air Resources Board,

On behalf of the Biodiesel Coalition of Missouri (BCM), thank you for the opportunity to comment on the proposed 15-day changes to the Low Carbon Fuel Standard (LCFS) program. BCM represents the biodiesel industry in the state of Missouri, and we are dedicated to the commercial success of biodiesel in the marketplace.

Missouri is home to five biodiesel plants with a production capacity of 247 million gallons.

Over 70% of California's diesel pool now consists of biomass-based diesel fuels like biodiesel. In Q1 of 2024, that number reached 73%. Biomass-based diesel is the most successful fuel in meeting LCFS reductions. At 45% of the carbon reductions from the LCFS program, Biomass-based diesel has contributed more reductions than electric vehicles, hydrogen and renewable natural gas COMBINED.

Because of this, we were surprised to see CARB's 15-Day Changes to revise the LCFS based off what was included in the Initial Statement of Reasons (ISOR). Of top concern for biodiesel producers across our state and the rest of the nation is a proposal that would cap the use of soybean oil as feedstocks for biofuels at 20 percent by company.

These reductions in particulates and toxic air pollution are improving local air quality today, particularly in environmental justice communities. Utilization of biodiesel now diminishes the impacts of carbon emissions into the future. For every five years of delay, 13 times more emissions reductions would be required to have the same environmental impact. Biomass-based diesel fuels, like biodiesel, are the leaders in helping California meet their emissions reductions goals NOW.

In the Notice, CARB asserts that these modifications are intended to encourage zero-emission technologies and ensure that only waste oils are used to replace fossil diesel, yet they do not provide any scientific evidence to support these claims. The Notice also neglects to pinpoint any specific issues within the current LCFS or ISOR, nor does it explain how the proposed changes would effectively address such problems.

This cap does not align with the historical direction of the LCFS and their fuel/technology neutral approach to decarbonization. The cap could jeopardize the momentum towards 100% displacement of petroleum diesel in the heavy-duty sector, leading to backfilling of petroleum diesel. The unintended consequences could further delay California's path to decarbonization.

Placing an artificial limit on the market, combined with the inclusion of sustainability guardrails, as proposed, will fail to reduce emissions and will only increase costs. Our biodiesel plants and the farmers and feedstock suppliers we work with remain frustrated that CARB insists on using data and methods that are over two decades old to set carbon intensity (CI) scores for soy, while refusing to consider new economic data.

Our biodiesel plants rely on soybean oil for their feedstock. Over 85% of our biodiesel production utilizes soybean oil. Soybeans are the number one crop in Missouri. The cap on vegetable oils would undermine innovation and economic viability, essentially shutting down a key market for biodiesel to our members.

As CARB seeks to finalize updates to the LCFS program in the coming months, we strongly encourage the agency to ensure these updates are based on science. The determination to make such drastic changes to previous CARB proposals so late in the game was shocking to the biofuels industries. For CARB to move from arguing that, based on the modeling, a vegetable oil feedstock cap was detrimental to the goals of the LCFS at the April public workshop, to now recommending a wildly stringent cap on those feedstocks without data or science, is quite difficult to comprehend. CARB's own April 10th analysis showed that a feedstock cap would increase greenhouse gas (GHG) emissions in California.

BCM was surprised to find that not only was a feedstock cap in the 15-Day Changes, but the sustainability guardrails were also retained. Soybean farmers continue to lower the CI of soybeans through innovative conservation and climate smart practices, such as no-till, cover crops, nutrient management, enhanced efficiency fertilizers, and buffer strips, among others

BCM encourages CARB to reconsider its proposed sustainability requirements to allow soybean growers the opportunity to participate in the California biofuels market through innovative and climate smart agriculture practices.

For the last several years, biofuel producers have urged CARB to consider updating its scoring methodology for crop-based biofuels. A comprehensive update to the Global Trade Analysis Project model for biofuels (GTAP-BIO) is needed. Current data indicates a much lower CI score for soybeans, as growers continue to improve soil practices, limit water use, lower on-farm emissions and more.

CARB has indicated plans to update all major models for lifecycle emissions calculations except for GTAP-BIO in the updated LCFS rulemaking. The soy industry has made vast

improvements in sustainability and efficiency over the past two decades, with even greater improvement goals ahead. At the same time, CARB continues to rely on a 2014 model that uses data from 2004. The Indirect Land Use Change (ILUC) score accounts for half or more of the CI score for soy-based biofuels. CARB's current modeling assigns soy biomass-based diesel with an ILUC impact of 29.1g CO2e/MJ whereas updated results from the model used to calculate ILUC scores indicate a value of between 9 and 10 gCO2e/MJ for soybeans. The benefits of the LCFS can only be achieved if CI values are accurately captured.

Biodiesel Coalition of Missouri is encouraged by the continued successes of programs that support the development of cleaner, low-carbon fuels. However, it is critical that CARB finalizes updates in a way that does not arbitrarily exclude agricultural feedstocks through policies that are not science-based and run afoul of CARB's mandate, including capping vegetable oil feedstocks and applying onerous sustainability guardrails that add cost without rewarding farming practices that lower CI.

Biodiesel producers, feedstock suppliers and farmers across Missouri remain eager to continue working with CARB to support the biodiesel industry's role in diversifying the fuel supply while reducing GHGs and increasing clean air in California and beyond. On behalf of our members, we appreciate the opportunity to comment and look forward to collaborating with CARB and other relevant stakeholders on implementation of policies that expand the use of soy-based biofuels.

Sincerely,

Matthew Amick
Executive Director
Biodiesel Coalition of Missouri