



Marathon Petroleum Company LP

1215 K Street Suite 1570
Sacramento Ca, 95814

November 5, 2020

Rajinder Sahota
Division Chief, Industrial Strategies Division

Arpit Soni
Manager, Alternative Fuels Section

California Air Resources Board
1001 I Street
Sacramento, CA 95814

Submitted electronically: <https://ww2.arb.ca.gov/our-work/programs/low-carbon-fuel-standard/lcfs-meetings-and-workshops>

Re: Marathon Petroleum Corporation's comments on California Air Resources Board public workshop to discuss potential regulation revisions.

Dear Rajinder and Arpit,

Marathon Petroleum Corporation ("MPC") appreciates this opportunity to provide comments to the California Air Resources Board ("CARB") public workshop to discuss potential regulation revisions. MPC through its wholly-owned, indirect subsidiaries Tesoro Refining & Marketing Company LLC and Dakota Prairie Refining, LLC produces fuels that are regulated by the California Low Carbon Fuel Standard ("LCFS") program.

MPC supports CARB's efforts to discuss potential LCFS regulation revisions. Two areas MPC would like to comment on specifically are 1) the Novel Technology Investment Credit ("NTIC"), and 2) Sustainable Farming CI score. MPC sees these two concepts as steps in the correct direction to advance the growing need for low carbon fuels in California.

Novel Technology Investment Credit

MPC believes the NTIC proposal reinforces California's goals of lowering the carbon intensity of fuel by supporting the commercial deployment of novel technologies aimed at delivering more, lower carbon intensity liquid and gaseous fuels. The proposed recommended structure of the NTIC strikes the right balance of safeguarding existing investments through its proposed caps on credit issuance of 5 to 7.5 percent of deficits in a year, while providing certainty for investors in the technology. The LCFS has helped deliver change to the California transportation fuel mix. The NTIC will increase the amount of change because it will bring new, incremental fuels to California's transportation fuel mix.

Sustainable Soybean Farming CI Score

The goal of the LCFS is to decrease the carbon intensity of California's transportation fuel pool and provide an increasing range of low-carbon and renewable alternatives¹. Renewable diesel is one such example of a low-carbon fuel produced from renewable feedstocks including soy oil, tallow, and used cooking oil. The lower lifecycle emissions associated with the production of the renewable feedstocks and the renewable diesel manufacturing process are the key drivers to the lower carbon intensity (CI) score of renewable diesel fuel as compared to traditional petroleum-based diesel. There is a significant opportunity, however, for this LCFS regulation amendment to further reduce greenhouse gas (GHG) emissions by incentivizing soil health and proper soil management practices which in turn reduce the amount of greenhouse gas (GHG) emissions, such as carbon dioxide and nitrous oxide, released from the soil.

MPC supports a process which captures the necessary primary data required by GREET to properly calculate a feedstock CI, and in turn, incentivize good farming practices. As presented by the Farmers Business Network (FBN) and POET² at the October 15, 2020 CARB workshop, quantifiable sustainable farming practices now exist by using machine-collected data such as precision fertilizer application and measurement, fuel usage and type, tillage passages, and harvested bushels per acre. These parameters and others constitute the key primary data inputs necessary for CARB to establish a Sustainable Farming CI score. MPC encourages CARB to develop a process to include updated primary data for soybeans, corn and other biofuel-based feedstocks which can then be reflected in a fuel's lifecycle emissions.

Conclusion

Thank you for your consideration of these comments and look forward to discussing in more detail.

Sincerely,

Brian McDonald

Marathon Petroleum Corporation | Corporate Environmental | Policy and Regulatory Affairs
bcmcdonald@marathonpetroleum.com

¹ <https://ww2.arb.ca.gov/lcfs-verification#:~:text=The%20LCFS%20is%20designed%20to%20decrease%20the%20carbon,reduce%20petroleum%20dependency%20and%20achieve%20air%20quality%20benefits.>

² <https://ww2.arb.ca.gov/our-work/programs/low-carbon-fuel-standard/lcfs-meetings-and-workshops>