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Carolyn Lozo
Chief, Transportation Fuels Branch
California Air Resources Board
1001 "I" Street
Sacramento, CA 95814

Via electronic submission

Re: Proposed Low Carbon Fuel Standard 15-Day Changes

Transportation Fuels Branch Chief Lozo:

Thank you for the opportunity to comment in response to the California Air Resources Board's (CARB) additional modifications to the Proposed Amendments to the Low Carbon Fuel Standard (LCFS) Regulation (Third 15-Day Package or Proposal). The National Oilseed Processors Association (NOPA) appreciates the opportunity to provide additional insights.

NOPA continues to urge CARB to reject the proposed vegetable oil cap and instead support science-based solutions that promote sustainable feedstocks, recognize existing certification frameworks, and keep the LCFS achievable. The cap risks increasing reliance on foreign feedstocks with weaker environmental standards. Additionally, given the ongoing rulemaking delays, we strongly recommend extending the 2026 sustainability criteria timeline.

### **Background**

Organized in 1930, the National Oilseed Processors Association (NOPA) represents the U.S. soybean, canola, flaxseed, safflower seed, and sunflower seed-crushing industries. NOPA's membership is engaged in the processing of oilseeds for meal and oil that are utilized in the manufacturing of food, feed, renewable fuels, and industrial products. NOPA's 18 member companies operate 70 softseed and soybean solvent extraction plants across 21 states, crushing over 95% of all soybeans processed in the United States, the equivalent to more than 2 billion bushels annually.

Soybeans are made up of approximately 80% high protein meal and 20% oil, meaning that as more oil becomes available for renewable energy use, even more meal will become available for food and feed use. NOPA members have been building capacity to process domestic row crops into biofuel feedstocks in line with state and federal renewable fuel provisions. NOPA members - and new entrants into the soy processing sector - have invested approximately \$6 billion to expand U.S. crushing capacity by over 25% relative to 2023 installed capacity.

#### **Continued Concerns with the Vegetable Oil Cap**

NOPA strongly opposes CARB's continued pursuit of a cap on vegetable oils. The proposed limit is arbitrary, unsupported by market realities, and directly conflicts with California's climate goals.

CARB's own data demonstrates that vegetable oil feedstocks, primarily soybean and canola oil, have consistently exceeded the proposed cap since 2021. Capping these proven, sustainable, and scalable feedstocks would throttle the supply of renewable diesel, increase reliance on fossil fuels, and raise fuel prices for California consumers. Even CARB staff acknowledged in the April 2024 workshop that the cap would reduce air quality benefits and likely increase NOx and PM2.5 emissions.

Placing an artificial constraint on domestic feedstocks will undermine fuel availability, destabilize investments, and threaten California's decarbonization targets. We urge CARB to abandon this flawed approach and instead adopt a targeted, risk-based policy that differentiates high-risk feedstocks from those with verifiable sustainability attributes.

# Concerns with the 2026 Sustainability Criteria Implementation Timeline

Given the likely delay in final rulemaking and the scope of change required across the supply chain, we strongly urge CARB to extend the implementation date to 2027 or later for the sustainability criteria to ensure effective and fair rollout.

Prior to the recent rulemaking delays, NOPA previously commented that the proposed 2026 implementation timeline does not adequately account for U.S. agriculture's real-world planning and production cycles. Farmers are already planting the 2025 crop which will be used to produce biofuels in 2026, and any data requirements tied to these crops must be communicated well in advance.

Further, the continued lack of clarity around terms like "farm" and how on-farm storage will be treated introduces additional complexity that could disrupt compliance. Education and outreach efforts required for certification system adoption takes time and must begin well before the implementation date.

## **Recognition of Other Certification Schemes**

NOPA strongly supports the continued mention of Canada's Clean Fuel Regulations (CFR) in the Third 15-Day Package and urges CARB to formally recognize the CFR as an "Approved Certification System" in the final rule. Mutual recognition of robust, government-administered programs—such as the CFR and the U.S. Renewable Fuel Standard (RFS)—would streamline compliance and promote alignment across major jurisdictions.

These programs already incorporate thorough sustainability verification processes for crop-based feedstocks and would help CARB achieve its environmental goals without duplicating effort or creating unnecessary barriers.

#### Support for Clarifications to Land Use Change (LUC) Values

NOPA supports CARB's refinements in Subsection 95488.3(d), which bring greater clarity and predictability to how Land Use Change (LUC) values will be determined. Specifically, the clarification that a conservative LUC value will only be used when no applicable Table 6 value exists is a welcome improvement. We also support the shift from the term "crop" to "biomass" for improved regulatory consistency.

These changes enhance transparency and provide greater certainty for fuel pathway applicants, helping reduce unnecessary regulatory risk.

To further support certainty for fuel pathway applicants, NOPA encourages CARB to clarify that the Canola Biomass-Based Diesel value in Table 6 is for "Spring Canola Biomass-Based Diesel." Argonne National Lab (ANL) recently qualified the canola included in its 2024 R&D GREET Model, which also references the 2024 Carbon Calculator for Land Use and Land Management Change from Biofuels Production (CCLUB), as "Spring Canola." NOPA urges CARB to adopt consistent terminology.

## **Strengthening Oversight of Waste Feedstocks**

NOPA remains concerned that neither the Second nor Third 15-Day Packages include specific new measures to address fraud risks tied to waste feedstocks. As CARB's own Recirculated EIA and workshop presentations acknowledged, increasing pressure on crop-based feedstocks will heighten demand for waste materials, which in turn raises the risk of fraud—especially from imports.

Recent actions by the European Union in response to fraudulent Chinese biodiesel imports underscore this concern. Additionally, while imported renewable diesel is exempt from tariffs, extra precautions should be taken to prevent finished fuel made from potentially fraudulent waste feedstocks from circumventing existing LCFS safeguards. NOPA strongly encourages CARB to adopt enforceable traceability and verification standards, including origin disclosures, documentation audits, and—when appropriate—physical testing.

#### Conclusion

NOPA urges CARB to reconsider the proposed vegetable oil cap, extend the 2026 sustainability implementation date, and officially recognize established sustainability systems like Canada's CFR and the U.S. RFS. We support the clarifications made to the LUC methodology and continue to recommend enhanced oversight of waste feedstocks to protect the integrity of the LCFS. These steps would enable CARB to meet its climate goals while also supporting American farmers and processors who are investing in the future of low-carbon energy.

Thank you again for the opportunity to comment. We look forward to continued engagement with CARB and our partners in advancing a more sustainable and resilient fuel supply.

Sincerely,

Devin Mogler

President & CEO

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NOPA