



April 21, 2025

The Honorable Liane M. Randolph, Chair  
California Air Resources Board  
1001 I Street  
Sacramento, CA 95814

## **RE: Comments on Modified Text for the Proposed LCFS Amendments in Response to OAL Disapproval**

The Low Carbon Fuels Coalition (LCFC) and members signatories to these comments are writing in support of the Modified Text for the Proposed Low Carbon Fuel Standard (LCFS) Amendments. While the LCFC previously expressed concerns for specific provisions on the record during the rulemaking process, specifically those that move further away from the technology neutrality that has been a hallmark of the LCFS program's success, the modified amendments strike a balance to accelerate progress toward California's ambitious climate goals and restore investor confidence, while minimizing LCFS program cost and potential impact on California drivers.

The extended rulemaking process has stalled the momentum of the LCFS program by failing to send the long-term market signal and credit value needed to generate investments.

The LCFS had ***significantly outpaced its targets as of April 2024***, achieving carbon intensity reductions ***3 years ahead of schedule***<sup>1</sup> and at ***lower cost than anticipated***. Prospective estimates by the California Air Resources Board (CARB) and various others had projected up to \$1.80/gallon in conjunction with previous rulemakings. The actual current estimate is 8-10 cents/gallon.<sup>2</sup> Nonetheless, an unsubstantiated barrage of claims on the cost of the LCFS program and the price that consumers pay have obscured fundamental realities relating to the performance of the LCFS program:

---

<sup>1</sup> CARB Data Dashboard at <https://ww2.arb.ca.gov/resources/documents/lcfs-data-dashboard>

<sup>2</sup> California Energy Commission published data at <https://www.energy.ca.gov/data-reports/energyalmanac/californias-petroleum-market/california-oil-refinery-cost-disclosure>



## Low Carbon Fuels Coalition

- A definitive study on consumer price impacts by Bates White showed that there is ***no correlation between LCFS program credits prices and retail gas prices***<sup>3</sup>. An FAQ from CARB updated this analysis to show that this lack of correlation has continued.<sup>4</sup>
- The primary drivers of gas prices are the cost of petroleum, followed by fuel taxes and fees added directly to price of a gallon at the pump.
- Compliance costs have remained consistent over time, ***increasing carbon reductions for the same cost***.<sup>5</sup>
- ***The LCFS has diversified the fuel market, which has created price competition to ease the burden on drivers***.<sup>6</sup> For example, renewable diesel is regularly cheaper at the pump than petroleum diesel and can be used in existing vehicles, which has resulted in ***replacing almost 3/4. of the diesel in California with renewable and waste sources***; ethanol has been up to \$2.50/gallon cheaper than gasoline for flex-fuel vehicles that can use E85; home charging for EVs is significantly cheaper per mile.
- ***The overall compliance cost of the LCFS is minimized by a more flexible and fuel technology-neutral approach to decarbonization***.
- As presented in CARB's April 10 workshop, a more restrictive program that reduces opportunities for credit generation by limiting viable and affordable low-carbon fuels ***achieves fewer carbon reductions, raises health effects and associated costs, relies more heavily on petroleum-based fuels, and raises the cost of the program overall***.<sup>7</sup>
- In turn, ***a more restrictive and costly LCFS program increases both the likelihood and potential magnitude of consumer price impacts***.

California is at a pivotal moment in the fight against the increasing effects of climate change. The LCFS program is a lynchpin to decarbonize transportation and achieve the

---

<sup>3</sup> Study at <https://www.lcfcoalition.com/s/Bates-White-LCFC-Report-Updated-20220421.pdf>

<sup>4</sup> CARB FAQ at [https://ww2.arb.ca.gov/sites/default/files/2024-10/LCFS\\_Fuel\\_FAQ.pdf](https://ww2.arb.ca.gov/sites/default/files/2024-10/LCFS_Fuel_FAQ.pdf)

<sup>5</sup> See Environmental Defense Fund graph based on California Energy Commission data at <https://blogs.edf.org/climate411/2024/10/31/growing-costs-of-climate-emergency-demand-ambitiouspolicy-not-business-as-usual/>

<sup>6</sup> See Bates White report

<sup>7</sup> Slides 23, 29 and 31 at <https://ww2.arb.ca.gov/sites/default/files/2024-04/LCFS%20April%20Workshop%20Slides.pdf>



goals established under AB32. The program has ***significantly exceeded expectations for greenhouse gas reductions***, and done so at ***far less than anticipated cost***.

To continue and build on this success, the Low Carbon Fuels Coalition and members below support the technical revisions reflected within the Modified Text for the Proposed LCFS Amendments.

