



May 10, 2024

Liane Randolph  
Chair, California Air Resources Board  
P.O. Box 2815  
Sacramento, CA 95812  
*Via electronic submission*

RE: Renew Kansas Biofuels Association Comments on April 10<sup>th</sup> LCFS Workshop

Chair Randolph:

Thank you for the opportunity to provide written comments regarding the proposed Low Carbon Fuel Standard (LCFS) amendments.

Renew Kansas Biofuels Association is the trade association of the Kansas biofuels processing industry, representing Kansas plants that produce more than 600 million gallons of renewable fuel annually.

Our industry produces ethanol fuels which provide more affordable fuel choices to consumers, while improving air quality and protecting the environment.

We recognize that ethanol has been the number one fuel source that has helped lower the CI score of the gasoline pool in the State of California. And, while not yet authorized for use in California, E15 fuel has helped to accomplish carbon intensity reductions in most other states.

Low carbon biofuels have been among the largest contributors to the success of the Low Carbon Fuel Standard (LCFS) program, and higher blend biofuels can play a vital role in California meeting its ambitious climate goals.

#### E15 Approval

We applaud the California Air Resources Board's consideration of the role E15 can play in reducing the state's greenhouse gas (GHG) emissions while also providing a cost-savings opportunity for California drivers. Consumers have embraced E15's reputation as a more environmentally beneficial, more affordable fuel.

Since the US EPA approved E15 in 2011, at which time there were *zero* retailers offering it, its availability rapidly expanded to 3,400 retail sites in 32 states. Since then, drivers in America have relied on E15 to drive 100 billion miles.

In contrast, with Nevada, Oregon, the Phoenix metro area, and most recently Montana approving E15 for sale, California remains the only state to have not approved this cost-effective,

environmentally beneficial fuel that can be used in nearly all the state's 31 million gasoline-powered vehicles.

If CARB approved E15, and replaced E10 with E15, this change would be responsible for the GHG-reduction equivalent of removing more than 400,000 ICE vehicles from California's roads without negatively impacting California drivers.

#### E85, Flex-Fuel Vehicles, CCUS

CARB's August 2023 updates to the California Transportation Supply (CATS) Model recognize the value of carbon capture utilization and sequestration (CCUS) in carbon reduction during bioethanol production.

We appreciate CARB's recognition of the bioethanol industry's efforts to further reduce carbon emissions via CCUS, a process incentivized by the Inflation Reduction Act. CCUS provides a pathway to lower carbon intensity (CI) for E85 by reducing the assumed CI score for bioethanol from 66 gCO<sub>2</sub>e/MJ to 35 gCO<sub>2</sub>e/MJ. This change recognizes the positive impact bioethanol has on California's emissions reduction goals.

Additionally, California's existing approval of E85 has resulted in significant growth of its use in flex-fuel vehicles (FFVs): more than 118 million gallons have been sold at 375 locations across the state in 2023 alone.

California's FFV fleet currently stands at more than 1.3 million vehicles. The use of E85 will promote even greater reductions in GHG emissions and reductions of air toxics.

We encourage CARB to implement policies that strongly incentivize the production and use of flex-fuel vehicles, as well as continued investment in infrastructure for expanded access to E85.

In doing so, the Board will be achieving multiple goals: improving air quality and GHG emissions, reducing the state's dependence on fossil fuels, and providing consumers with an affordable choice to power their vehicles.

#### Continued Concerns over Proposed Sustainability Certification

The proposed sustainability certification for crop-based fuels cites concerns regarding land use change (LUC) factors that are unfounded relative to corn starch bioethanol. In fact, the United States is planting grain corn on roughly the same number of acres as was planted in 1900. At the same time, the per acre yield has increased more than 600%.

Additionally, the LUC concern is already addressed in the LCFS's CI modeling. Corn starch bioethanol is given an automatic 19.8 gCO<sub>2</sub>e/MJ penalty for indirect land use change (ILUC). Adding the proposed sustainability criteria to the current ILUC score amounts to an unfair double penalty for corn starch bioethanol.

We also believe the 19.8 gCO<sub>2</sub>e/MJ score is outdated and not based on the most up to date research. A review of more recent science indicates a decreasing trend in land use values with the newer data indicating values closer to 4 gCO<sub>2</sub>e/MJ. If plants are required to certify, then they should be able to use the actual CI of the grain and not be stuck with the 19.8 g/MJ ILUC.

Further, the details provided in the April 10 workshop will add costly requirements on biofuel producers and farmers. CARB's economic analysis of the proposal does not discuss the sustainability requirement's financial burden of implementation.

Nor will the requirement allow bioethanol producers to use important tools like climate-smart agricultural practices for CI reduction. Some of these practices include precision application of fertilizer, use of low CI fertilizer, no or low-till farming practices, and the use of cover crops.

The use of these practices for measured carbon reduction is not new, as other state agencies use some of these same practices to reduce the release of soil carbon in the state's natural and working lands.

Finally, with respect to the proposed sustainability audit, the proposal's audit requirements address issues, while important to environmental and social justice, fall outside the scope of the LCFS. The proposed sustainability audit process would require auditors to conduct: "review of management systems", "review of social practices", and an assessment of the "economic sustainability of the applicant."

From the **LCFS** California Air Resources Board's website:

*"Beginning in 2011, the Air Resources Board in California initiated a Low Carbon Fuels Standard (LCFS). The LCFS is designed to decrease the carbon intensity of California's transportation fuel pool and provide an increasing range of low-carbon and renewable alternatives, which reduce petroleum dependency and achieve air quality benefits. The LCFS sets annual carbon intensity standards for gasoline, diesel, and the fuels that replace them, which continually reduce over time."*

As the LCFS was implemented to lower the carbon intensity of the transportation pool, environmental and social justice goals would not fall within the scope of the rule. For that reason, we would oppose the consideration of issues concerning environmental and social justice for sustainability consideration. If this proposal is adopted, crop-based biofuels would be the only feedstock for which these criteria would be audited.

#### Expand Access to Low-CI Power Sourcing for Biofuels Producers

With respect to Low-CI power sourcing, the proposal fails to recognize the carbon-reduction potential in crediting Low-CI power sourcing in biofuels production. The proposal currently only allows this mechanism for hydrogen.

The proposal fails the LCFS' fundamental policy goal of carbon intensity reduction in transportation fuels used in California. Allowing bioethanol producers to source *new* contracted

low-CI power that is not included in a utility resource plan via a power purchase agreement does not impact electricity demand.

We would ask that the LCFS allow the purchase of Renewable Energy Credits (REC's) to replace grid electricity at the ethanol plant level. Further, the RECs should not be limited to new renewable energy sources. As the LCFS purpose is reducing the CI of the transportation fuel pool, the LCFS should open that opportunity up to other ways of achieving that goal.

Biofuel production occurs largely in electricity markets outside of California. This renders the argument against expanding low-CI power sourcing due to purported resource shuffling moot. By not expanding this provision to biofuels, it denies the state the opportunity to lead other jurisdictions towards increasing their low-CI power generation capability.

#### Accelerate the Use of Sustainable Aviation Fuel (SAF)

As producers of one of the most scalable feedstocks for SAF production, we appreciate the Board's attention to development of this key market through its proposal to remove the exemption for intrastate jet fuel.

We encourage CARB to continue to work with SAF producers, biofuel feedstock producers, and airlines to continue to seek ways to accelerate use of these important fuels to help decarbonize the aviation sector.

Thank you for the opportunity to provide input. The LCFS Program is a critical tool to addressing climate change, and we look forward to working with CARB to ensure the role of biofuels in making California's fuel mix more sustainable and help the state achieve its progressive climate goals through the expanded use of bioethanol.

Sincerely,



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