



Rajinder Sahota Deputy Executive Officer for Climate Change & Research California Air Resources Board 1001 I Street Sacramento, CA 95814

RE: National Corn Growers Association (NCGA) Comments on the April 10 Low Carbon **Fuel Standard Workshop**

Dear Ms. Sahota and CARB Staff,

The National Corn Growers Association (NCGA) would like to thank CARB staff for their ongoing work on the Low Carbon Fuel Standard (LCFS) and the workshop on April 10 to present potential refinements to the proposed regulatory amendment package.

NCGA represents 40,000 dues-paying corn growers and more than 300,000 farmers who contribute to corn promotion programs nationally. Along with its 50 affiliated state associations and checkoff organizations, NCGA works to protect and advance the interests of corn growers.

NCGA thanks CARB staff for their work to ensure the LCFS program remains true to its intended purpose of decarbonizing California's transportation sector. We appreciate the acknowledgement and reinforcement that biofuels will remain an important and readily available tool in the midterm, especially for legacy fleets, as the state transitions to zero-emission vehicles. While we have valued the thorough process and careful consideration of stakeholder feedback, we urge CARB staff to quickly finalize the proposed regulatory amendment package and bring it to the Board as soon as possible.

NCGA would like to provide the following comments in response to the potential refinements presented during the April 10 workshop:

Increased Step-Down

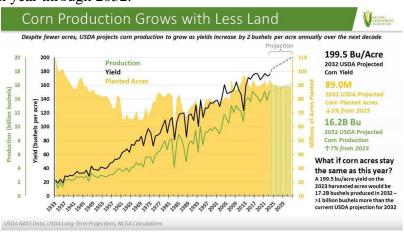
NCGA appreciates CARB's additional modeling and consideration of increased step-downs of 7% and 9% in carbon intensity (CI). Increasing the step-down to 9%, instead of the originally proposed 5%, is an appropriate value that can reset the current credit-to-deficit ratio and make use of the existing credit bank. The 9% step-down is necessary, as it will remove about 16

million credits from the program, a needed adjustment to stabilize the market and leave an adequate number of deficits in the bank.

Crop-Based Biofuels Sustainability

In response to the question posed in the staff presentation on Slide 52, increasing biofuel production does not result in food system impacts. Using corn to make ethanol preserves the important nutrients for other uses, including food nutrients. A corn kernel's starch is fermented to make ethanol with no effect on the kernel's valuable protein, minerals, vitamins, and fiber used in efficient ethanol co-products such as animal feeds and oils. Land-use is improving as well, with farmers growing more corn on less land and with fewer resources. Since 2007, the average corn yields have increased by more than 25 bushels per acre. On average, the annual increase in corn yield has been 1.8 bushels per acre, per year. This productivity growth has allowed farmers to meet demand across all uses of corn with significant bushels to spare.

Corn yield growth is attributed to advancements in genetics and plant breeding, enabling the development of better hybrids and parent lines of corn. Agronomic farm management and soil fertility improvements have also contributed to increased yield. Yield increases are expected to continue over the next decade, as the USDA's long-term projections indicate a two bushel per acre increase each year through 2032.²



Moreover, we urge CARB to reconsider their sustainability requirements proposal for crop-based biofuels, as it needs additional consideration and consultation with industry. The implementation of such requirements will impose heavy regulatory burdens for credit generators, with much of the responsibility and costs falling on farmers. Specifically, NCGA believes the effort to certify row crop feedstocks to be sourced from non-forested acres after 2008 as unnecessary for domestic crops. If this is pursued, we recommend CARB considers a domestic aggregate compliance approach similar to the monitoring of renewable biomass requirements within the Renewable Fuels Standard (RFS), monitored by U.S. Environmental Protection Agency (EPA). Developing a proposal for on-farm crediting to reward improved agricultural practices can be a much more effective solution for tracking sustainability and is what our members have asked for. Incentivizing better farm-level practices through on-farm crediting can lead to tangible reductions in CI scores and support the ongoing goal of lowering CI scores in the LCFS.

2

¹ Wrong Again: It's Time to Get the Facts Straight on Corn Production and Ethanol

² Rising U.S. Corn Yields Boost Production Without Additional Land

Also included on Slide 52, staff asked if E15 should be considered to reduce retail gasoline costs. We ask CARB to refer to our written comments on February 20 and encourage the inclusion of E15. Studies show that E15 can save consumers an average of 16 cents per gallon, a significant amount of savings given California's high retail gasoline prices. Despite being a climate leader, California remains the only state who has not approved E15, which is not only preventing additional emissions reductions, but will also be a significant obstacle to encouraging other jurisdictions to adopt their own LCFS programs. The E15 Multimedia Evaluation (MME) is in advanced stages and has shown the plethora of value that E15 can bring to California in the form of lower gasoline prices and reduced GHG and criteria pollutants. Ethanol stakeholders have invested significant time, efforts, and money into the MME process over the past six years. The MME is in its final stages, with the stakeholder group awaiting a rulemaking process to commence.

NCGA appreciates the opportunity to engage and provide feedback during this process. We look forward to the finalization of this rulemaking and the implementation of these program amendments.

Sincerely,

Harold Wolle, Jr.

President, National Corn Growers Association

³ Study: Nationwide E15 Would Save Drivers Over \$20 Billion in Annual Fuel Costs