North Dakota
Soybean Processors, LLC

May 10, 2024

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

Via electronic submission Re: Proposed Low Carbon Fuel Standard Amendments

Dear Chair Randolph:

Thank you for the opportunity to comment in response to the California Air Resources Board's (CARB) public workshop on April 10, 2024 and provide additional insights on the proposed amendments to the Low Carbon Fuel Standard (LCFS).

North Dakota Soybean Processors (NDSP) serves to provide farmer producers with a local, year-round value-adding market for their soybeans. NDSP is a joint venture formed by CGB Enterprises, Inc. (CGB) and Minnesota Soybean Processors (MnSP) to operate a state-of-the-art soybean processing plant, scheduled to open in Summer 2024. The plant will crush 42.5M bushels of soybeans in the first year and produce soybean oil, soybean meal and soyhull pellets.

Our oilseed processing operations yield protein-rich meal for human and animal nutrition, as well as vegetable oil that is used as an ingredient in food manufacturing and as a feedstock for renewable fuels such as biodiesel, renewable diesel and sustainable aviation fuel (SAF). These sustainably produced biofuels help reduce carbon dioxide equivalent (CO_2e) greenhouse gas emissions and the carbon intensity of transportation fuels in use today. Between 2015 and 2021, the soybean industry has seen a 19% decrease in carbon footprint for U.S. soybeans by improving soil health and water quality, increasing yields by 24% while reducing chemical application and implementing no till and expanding cover crops.

We encourage CARB to support the role of agriculture in diversifying the fuel supply through more sustainable feedstocks. The most effective way to do this is by continuing to oppose a cap on vegetable oils.

CARB's additional analysis and remarks delivered at the April 10 workshop rightly recognized a cap or limitation on crop-based oil feedstocks is unwarranted. CARB's findings that renewable diesel and biodiesel have a positive impact on both consumers and the environment clearly underscores the importance of continuing to promote their use as part of California's efforts to achieve its sustainability and air quality goals.

As CARB staff pointed out, biomass-based diesel (BBD) has displaced 60% of fossil diesel in California, reducing greenhouse gases, Particulate Matter (PM2.5) and Nitrous Oxide (NOx) emissions.

Placing a cap on crop-based feedstocks used to make BBD and other renewable fuels will undo this progress, increasing public health risks and driving up consumer fuel costs. Further, implementing a cap would undercut the necessary investments that are being made to support low carbon feedstocks and further industry expansion.

Internal combustion engines – particularly in the heavy-duty sector – will be on our roads for decades to come. As CARB staff stated during the workshop, California should take advantage of a low carbon fuel that is being produced today at scale by implementing policies that encourage the responsible production and use of renewable feedstocks.

Additionally, as CARB has previously acknowledged, a targeted, risk-based approach to sustainability requirements is encouraged. By accurately assessing deforestation risk, leveraging existing sustainability frameworks such as the Renewable Fuel Standard (RFS), and implementing targeted measures for high-risk regions, CARB can achieve its environmental objectives while also supporting a sustainable and resilient biofuels industry.

Thank you for the opportunity to comment on this important issue.

Sincerely,

Tom Malecha

Tom Malecha
President, North Dakota Soybean Processors