



Growth Energy™
Expanding America's Bioeconomy

May 10, 2024

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

RE: Growth Energy Comments on April 10th LCFS Workshop

Chair Randolph:

Thank you for the opportunity to provide written comments regarding the proposed Low Carbon Fuel Standard (LCFS) amendments. Growth Energy is the world's largest association of biofuel producers, representing 97 U.S. plants that each year produce more than 9.5 billion gallons of renewable fuel; 119 businesses associated with the production process; and tens of thousands of biofuel supporters around the country. Together, we are working to bring better and more affordable choices at the fuel pump to consumers, improve air quality, and protect the environment for future generations. We remain committed to helping our country diversify our energy portfolio in order to grow more green energy jobs, decarbonize our nation's energy mix, sustain family farms, and drive down the costs of transportation fuels for consumers.

Growth Energy has previously submitted extensive comments demonstrating the vital role low carbon biofuels and higher biofuel blends can play in meeting California's ambitious climate goals. As we have previously noted, biofuels have been among the largest contributors to the success of the LCFS program to date and are poised to continue to do so with appropriate updates to the program.¹

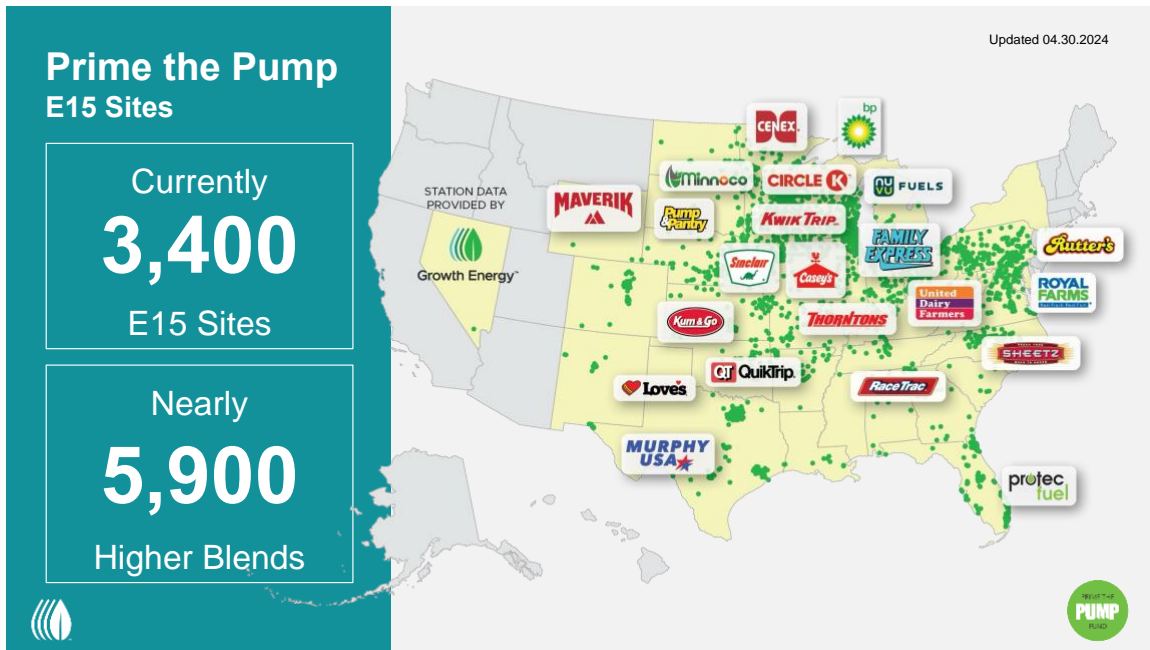
Approval of E15

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.² 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 now 3,400 retail sites in 32 states. Since then, drivers in America have relied on E15 to drive 100 billion miles.³

¹ https://www.transportationenergy.org/wp-content/uploads/2023/07/Decarbonizing-Combustion-Vehicles_FINAL.pdf

² <https://ww2.arb.ca.gov/sites/default/files/2024-04/LCFS%20April%20Workshop%20Slides.pdf>

³ <https://growthenergy.org/2024/01/29/100-billion-miles-e15-growth-energy/>



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.⁴ If CARB not only approved E15, but replaced E10 with E15, this switch 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*.⁵ Neither will it have a negative impact on land use change for bioethanol.

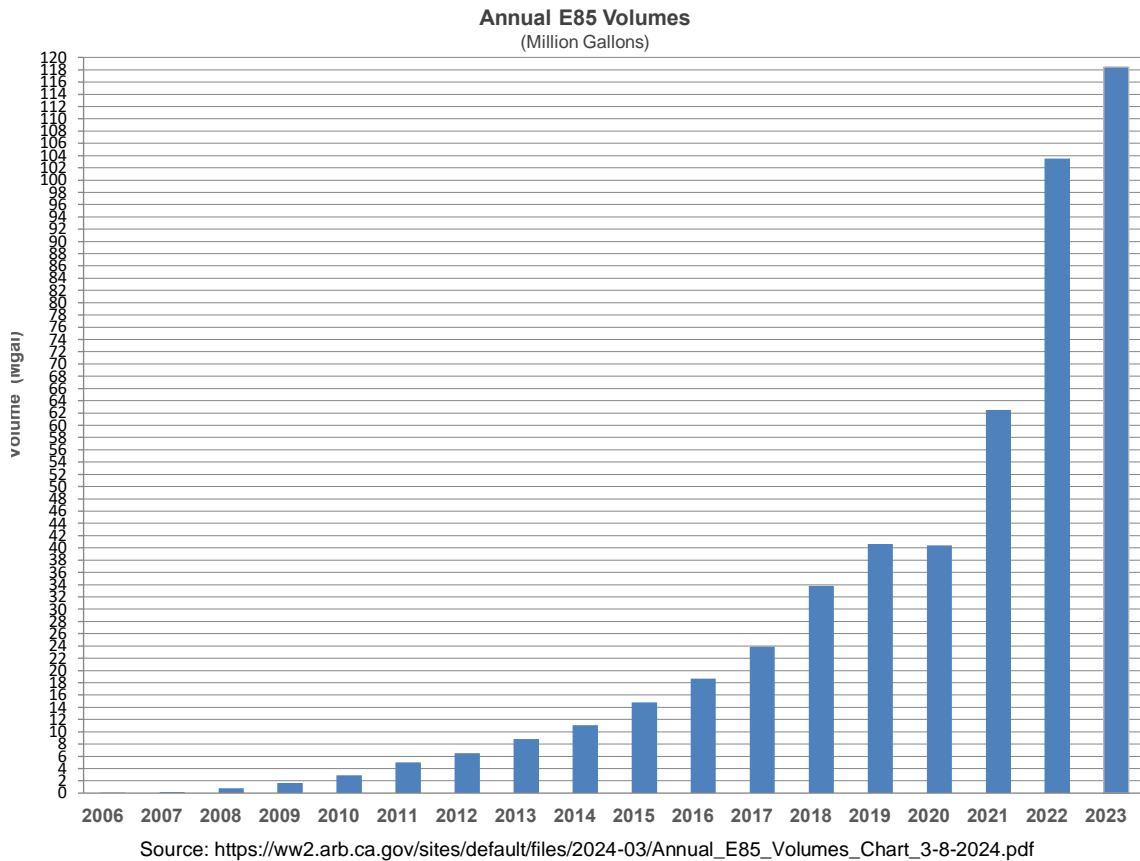
E85, Flex-Fuel Vehicles, and CCUS

Additionally, we appreciate CARB’s August 2023 updates to the California Transportation Supply (CATS) Model that recognize the value of carbon capture utilization and sequestration (CCUS) in carbon reduction during bioethanol production. By accounting for CCUS, a process incentivized by the Inflation Reduction Act, the pathway carbon intensity (CI) for E85—approved for use in California—was updated such that it reduces the assumed CI score for bioethanol from 66 gCO₂e/MJ to 35 gCO₂e/MJ.⁶ We appreciate CARB’s recognition of the bioethanol industry’s efforts to further reduce carbon emissions via CCUS, a process which is incentivized by the Inflation Reduction Act of 2022. This is a welcome update to CATS and a recognition of the positive impact bioethanol has on California’s emissions reduction goals.

⁴ <https://ethanolproducer.com/articles/montana-becomes-49th-state-to-approve-the-sale-of-e15>

⁵ <http://www.airimprovement.com/reports/national-e15-analysis-final.pdf>

⁶ https://ww2.arb.ca.gov/sites/default/files/2023-08/CATS%20Technical_1.pdf



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.⁷ Additionally, the current size of California’s FFV fleet stands at more than 1.3 million vehicles.⁸ The use of E85 will promote even greater reductions in GHG emissions and reductions of air toxics. We would continue to encourage CARB to implement policies that strongly incentivize and as necessary, require the production and use of flex-fuel vehicles, as well as continued investment in infrastructure for expanded access to E85 in the state. 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. Again, this can be done without any negative land conversion impact.

Continued Concerns Over Proposed Sustainability Certification

In our comments on the 45-day proposal released on December 19th, 2023, we raised multiple concerns regarding the proposed sustainability certification requirements for crop-based biofuels. Unfortunately, further information provided by CARB in the April 10th, 2024 workshop did little to alleviate our concerns. The proposal’s sustainability

⁷ https://ww2.arb.ca.gov/sites/default/files/2024-03/Annual_E85_Volumes_Chart_3-8-2024.pdf

⁸ <https://afdc.energy.gov/vehicle-registration?year=2022>

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 1900.⁹ At the same time, the per acre yield has increased more than 600%.¹⁰

Additionally, the LUC concern is already addressed in the LCFS's CI modeling. Corn starch bioethanol is given an automatic 19.8 gCO₂e/MJ penalty for indirect land use change (ILUC).¹¹ 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 gCO₂e/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 gCO₂e/MJ.¹²

Further, the details provided in the April 10 workshop will add onerous and costly requirements on biofuel producers and farmers. Yet 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.¹³ The use of these practices for measured carbon reduction is not new. Other state agencies are using some of these same practices to reduce the release of soil carbon in the state's natural and working lands.¹⁴

Finally, with respect to the proposed sustainability audit, the proposal's audit requirements address issues that, 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." These items have no bearing on GHG reduction. Additionally, many aspects of these audit provisions are addressed by federal programs. The Fair Labor Standards Act has clear employment guidelines specifically for the agriculture industry.¹⁵ Furthermore, if the proposal is adopted, crop-based biofuels would be the only feedstock for which these criteria would be audited.

⁹ https://www.nass.usda.gov/Publications/Todays_Reports/reports/croptr19.pdf,
https://www.nass.usda.gov/Charts_and_Maps/Field_Crops/cornac.php

¹⁰ <https://www.agry.purdue.edu/ext/corn/news/timeless/YieldTrends.html>

¹¹ https://ww3.arb.ca.gov/fuels/lcfs/iluc_assessment/iluc_analysis.pdf

¹² <https://iopscience.iop.org/article/10.1088/1748-9326/abde08/pdf>

¹³ <https://growthenergy.org/policy-priority/climate-smart-agriculture/>

¹⁴ <https://www.gov.ca.gov/2020/10/07/governor-newsom-launches-innovative-strategies-to-use-california-land-to-fight-climate-change-protect-biodiversity-and-boost-climate-resilience/>

¹⁵ <https://www.dol.gov/agencies/whd/agriculture/flsa>

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. Firstly, 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.

Secondly, biofuels 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. Additionally, 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 on the April 10th, 2024 workshop. 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,



Christopher P. Bliley
Senior Vice President of Regulatory Affairs
Growth Energy