POET HUMAN + NATURE O / 605 965 2200 900 7TH ST. NW, STE 820 WASHINGTON, D.C. 20001 POET.COM

September 14, 2021

Cheryl Laskowski
Branch Chief, Transportation Fuels Branch
California Air Resources Board
1001 I Street
Sacramento, CA 95814

RE: Comments Concerning POET Big Stone LCFS Pathway Applications B01741-3

Dear Ms. Laskowski:

POET LLC (POET), the world's largest producer of biofuels, is pleased to submit these comments to the California Air Resources Board's (CARB) regarding its Low Carbon Fuel Standard (LCFS) pathway application for the POET Big Stone facility. POET supports the LCFS program's goals of reducing greenhouse gas emissions from the transportation sector. Increasing the availability of low-carbon renewable fuel alternatives aligns with POET's mission and is essential to fighting climate change.

This letter specifically responds to contentions about POET's application submitted by a prior commenter. While POET respects the commenter's care for environmental and renewable energy issues, its comments are without basis in fact or law. CARB should approve POET's application to enable Big Stone to provide California with additional gallons of low-carbon biofuels that can displace petroleum-based fuels from the market.

About POET

POET's mission is to be good stewards of the Earth by converting renewable resources to energy and other valuable goods as effectively as humanly possible. POET owns and operates an industry-leading 33 bioethanol plants, and is the world's largest producer of plant-based biofuels, with three billion gallons of annual production capacity. Started in 1987, the company today operates in eight states, and markets biofuels and renewable co-products here in the U.S. and across the globe. In 2019, Fast Company recognized POET on its annual list of "Most Innovative Companies" for transportation and FORTUNE recognized POET on its list of companies that are changing the world. While the scope of our vision has grown, POET remains focused on reducing reliance on petroleum products, revitalizing global agriculture, and providing cleaner, affordable alternatives to fossil fuels.

POET is aligned with and supports CARB's goals of decreasing carbon intensity and increasing renewable alternatives through the LCFS program.

POET's Utilization of Steam Derived from Coal-Fired Power Plants

In opposing POET's LCFS pathways application, the Central California Asthma Collaborative ("CCAC") first argues that POET's applications should be denied because POET "continues to utilize energy derived from coal-fired power plants." CCAC further asserts that CARB should no longer accept "CI 'adjustments' that go against its stated position that no energy from coal or other carbon-intensive processes shall be included in the renewable energy portfolio unless approves through the RPS summary." The Renewable Portfolio Standards (RPS) program has laudable goals of decreasing emissions by requiring electricity utilities to sell specific percentages of electricity from renewable resources. However, the RPS is not relevant here. The RPS pertains to electricity load-serving entities in California. In contrast, POET is applying for the LCFS pathways program, a separate program from the RPS program, which concerns transportation fuels. Therefore, CCAC's assertion that POET's application should be denied because steam generated from a coal plant has not been approved under RPS is without basis in applicable law.

POET strongly believes in renewable energy and reducing emissions, and shares CARB's goal of transitioning to a 100% renewable future. Today, fossil fuels still represent a significant share of the electricity generation mix. Specifically, the Big Stone plant is located adjacent to a coal-fueled power plant that generates excess steam. In this specific scenario, it is most efficient for POET to utilize this excess steam for process heat, despite its source. Note that despite the use of some fossil fuel-based energy, POET's CI scores for bioethanol produced at Big Stone are as low as 29.14, an approximately 70% reduction from baseline gasoline on a full lifecycle basis. We look forward to the day when the most efficient energy options are all renewable so that we can fully take advantage of renewable energy resources at all of our plants.

POET's Failure to List Values in the CI Calculator Modifications

CCAC argues that POET's application should not be approved because Table 1 and Table 2 illustrating POET's modifications to the CI calculator and calculations in the document titled *"Lifecycle Emissions of POET Biorefining—Big Stone"* do not contain POET's Big Stone values.[1]

Table 1 does not list POET's modified CI values because the values are confidential business information or trade secrets. Note that there is a completed table in the document titled "*POET Biorefining—Big Stone, Big Stone, South Dakota."* [2] This table shows how the CI calculator functions with modifications for the use of excess steam derived from existing coal-fired power generation by using simulated values, providing clarity on the nature of POET's proposed adjustments. As for Table 2, the fuel pathway codes ("FPCs") are not listed because FPCs are not generated until after the pathways have been certified. Therefore, FPCs are listed as "TBD" until after the 10-day public comment period has closed and the final certification takes place.

---

[1] https://ww2.arb.ca.gov/sites/default/files/classic/fuels/lcfs/fuelpathways/comments/tier2/b0174_report.pdf.
[2] https://ww2.arb.ca.gov/sites/default/files/classic/fuels/lcfs/fuelpathways/comments/tier2/b0174_greet.pdf.

CARB's "Simplified Calculator" Link is not Functioning

Third, CCAC argues that a link in *"POET Biorefining - Big Stone Big Stone, South Dakota Simplified Calculator for Starch and Fiber Ethanol"* is not working. However, the link CCAC listed in its comment is incorrect. The link is functioning correctly, see: https://ww2.arb.ca.gov/resources/documents/lcfs-life-cycle-analysis-models-and-documentation.

Conclusion

POET strongly supports CARB's LCFS program. We believe that reducing fuel carbon intensity within California substantially decreases the state's greenhouse gas emissions. The LCFS program is important in the effort to protect the environment. Please do not hesitate to contact me if you need any additional information concerning POET's LCFS pathways applications.

Sincerely,

Michael R. Walz
Director of State Policy
POET LLC