

California LCFS – B0825 Fuel Pathway Application Response to Comments Page 1 of 2

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Phillips 66 Company

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Anil Baral
California Air Resources Board (CARB)
Low Carbon Fuel Standard (LCFS)
1001 I Street
Sacramento, California

Submitted Electronically

RE: Response to Comments on LCFS Fuel Pathway Application B0825

Phillips 66 Company (Phillips 66) appreciates the opportunity to provide a response to public comments on LCFS fuel pathway application B0825 for renewable fuels produced at Rodeo Renewable Energy Complex (RREC) in Northern California.

Phillips 66 appreciates Biofuelwatch interest in RREC's operations.

Phillips 66 has converted the Rodeo facility from a traditional petroleum refinery into a fully renewable fuel production facility, producing renewable diesel, alternative jet fuel (renewable jet fuel, also called sustainable aviation fuel or SAF) and renewable naphtha, a renewable gasoline component, from CARB approved renewable feedstocks: soybean oil, canola oil, distiller's corn oil, used cooking oil (UCO) and animal fat. RREC does not process palm oil.

Phillips 66 followed each and every regulatory requirement of the LCFS regulation in procuring feedstocks, processing them into renewable fuels, and selling the renewable fuels.

Additionally, Phillips 66 complies with the U.S. EPA's feedstock sourcing and tracking regulations adopted as part of the agency's Renewable Fuels Standards (RFS2) program. Under these rules, the company is required to maintain records demonstrating the amounts, by weight of the UCO collected. The UCO is considered a biogenic waste oil/fat/grease in the EPA program. Additionally, Phillips 66 is required to maintain documents demonstrating the location of any establishments from which the waste stream consisting solely of UCO is collected. In adopting these requirements, the U.S. EPA is addressing the possibility of fraudulent UCO feedstocks.

Phillips 66 has used the California GREET model (the Greenhouse Gases Regulated Emission and Energy Use in Transportation model) which establishes carbon intensities for the renewable fuel based on the feedstocks used, the indirect land use change (ILUC) for soybean and canola, the emissions due to transportation and the Rodeo facility emissions. UCO and animal fats are explicitly recognized as waste or residue feedstocks, for which no indirect effects are assigned in LCFS. Phillips 66's application complies with LCFS guidance and CARB's LCA modeling tools.

Phillips 66's application uses the CARB ILUC emission factors of 14.5 gCO2e/MJ for canola and 29.1 gCO2eq/MJ for soybean (see Table 6 of the LCFS regulation). These factors were developed in the 2015 LCFS rulemaking. The GTAP-BIO and AEZ models were used by CARB to establish



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the ILUC values. The GTAP-BIO model considers agriculture commodity trading on a global scale, such as trading between the U.S. and other parts of the world, including South America, Europe and Asia. The ILUC value of 29.1 gCO2e/MJ for soybean does include some land use changes outside of United States being used to meet the anticipated increase in demand in the modeled scenario. This includes increased soybean production in the "Other South America Region" where Argentina locates in the GTAP model. The model results also reflected the impacts from increased palm oil production in Southeast Asia. Furthermore, the double cropping practices in Argentina allow increased demand from biofuels to be partially met by second cropped feedstock instead of land expansion.

As fully documented in Philips 66's submittal, the number of fuel pathways is due to the fact that each product must be associated with a specific fuel pathway. This approach and the underlying detailed documentation are robust and in strict conformance with the LCFS regulation and associated published CARB guidance. As RREC produces three types of renewable fuels (renewable diesel, alternative jet fuel and renewable naphtha), the number of fuel pathways is essentially multiplied by 3. There are 17 feedstocks/regions combinations, as CARB did not allow Phillips 66 to develop "global" fuel pathways for foreign feedstocks. Instead, CARB required Phillips 66 to break down the feedstock sources by various regions, such as North America, South America, Europe, and the Asian continent being broken down in different countries or sub-regions. This breakdown provides a finer resolution in the life cycle assessment model and associated carbon intensities. Therefore, consistent with the regulation, published guidance, and established practice Phillips 66's submittal included 51 (17 x 3) discreet, but substantially related, pathways underscoring the rationale for submittal to CARB.

Consistent with state law and longstanding practice CARB allows that confidential business information be redacted for LCFS fuel pathway application. CARB has issued a guidance document to that regard: LCFS Guidance 20-05. Phillips 66 reminds that, for LCFS fuel pathway application comments, CARB only considers technical comments on the life cycle assessment modeling, not an opinion on the benefits or issues of the LCFS program.

Phillips 66 LCFS fuel pathway application went through thorough review by an independent thirdparty verifier as well as a detailed CARB analysis, including a review of the feedstock sourcing and verifying their origin. The pathway submittal is robust, independently verified, fully conforms with the LCFS regulation, and warrants approval.

In conclusion, Phillips 66 requests that CARB certifies the fuel pathways from application B0825.

Sincerely,

Marc Ventura