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Floyd Vergara, Esq, PE
Chief, Alternative Fuels Branch
California Air Resources Board
Submitted via electronic mail to fvergara@arb.ca.gov

Re: Comments on “Outline of the Proposed Alternative Diesel Fuels Regulations,” released June 13, 2013.

Dear Mr. Vergara:

On behalf of the California Biodiesel Alliance and the National Biodiesel Board, we are pleased to provide written comments on the “Outline of the Proposed Alternative Diesel Fuels Regulations,” dated June 13, 2013 and “Proposed Regulation Order, Amend sections 2281, 2282, 2284, and 2285, title 13, California Code of Regulations (CCR)” dated 6/11/13.

As background information, we would like to begin by reiterating our view that NOx mitigation for biodiesel in California is unnecessary. As discussed in depth at the April 23, 2013 workshop, any NOx impacts associated with B20 – either positive or negative – are de minimis to the point of being difficult to measure and will be eliminated entirely by New Technology Diesel Engines (NTDE) in a few years. NTDEs, which reduce NOx by more than 90% with both biodiesel and ULSD petroleum diesel, are being phased in rapidly as a result of requirements under California state law. Fleet turnover mandates will provide significant NOx reductions over the next ten years by phasing in NTDEs.

Additionally, even with older engines, third party data shows no measurable impact of B20 and lower blends on smog formation. For example, independent air shed modeling funded by the National Renewable Energy Laboratory was conducted by Environ covering the South Coast Air District using a conservative emissions profile of from B20 (i.e. increases in NOx and decreases on HC, CO, and PM). The use of B20 in the entire southern California HDDV fleet on days in 1997 when a well-known ozone event occurred was estimated to have very small effects (increases and decreases) in ozone concentrations in the Southern California region. The study reported, “...the main conclusion of the analysis is that the use of a B20 biodiesel in the HDDV fleet would have no significant ozone impact.” In light of all available information, we do not believe sound justification exists for requiring biodiesel NOx mitigation at the present time.

With that said, our industry is fully committed to working with the Air Resources Board in the most collaborative and productive manner possible to help provide assurances that increased use of biodiesel as part of the Low Carbon Fuel Standard (LCFS) program does not result in unintended consequences, even if the solution required to do so is less than optimal from the perspective of continued industry growth and represents a significant compromise.

As such, we look forward to engaging further in this process as more details are made available on the Proposed Alternative Diesel Fuel Regulation. While we have not seen enough information to make a final judgment on the proposed framework, we do believe it provides the potential to accomplish our shared goals.

We have separated our specific comments into those on the proposed ADF framework and those on the Proposed Regulation Order, which follow this cover letter.

The Proposed Regulation Order covers 40 pages of significant changes in the regulations for diesel fuel in general, as well as for Alternative Diesel Fuels. Given the short time frame provided for review, and significant industry meetings and a National holiday that occurred during the review period (i.e. semi-annual ASTM meetings, Independence Day), we have had limited time to review and receive input from our members and other stakeholders on the Proposed Regulation Order. Much more discussion is needed. Therefore, our comments on the Proposed Regulation Order are more general in nature at this time. We will continue our review on the Proposed Regulation Order and will provide more specific comments and suggestions over the next two weeks.

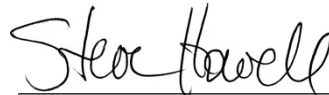
Given the sweeping nature of the changes in the Proposed Regulation Order for diesel fuel in general, some of which we believe will draw significant input from industry, we recommend ARB consider modifying the current Proposed Regulation Order to include only those changes necessary for Alternative Diesel Fuels at this time. This would facilitate the implementation of the ADF regulation. A second, separate effort could be undertaken to address the general changes proposed regarding for diesel fuel in general. Our comments reflect this approach.

Thank you, in advance, for your consideration of our views. We look forward to continuing to work with you on these and other important issues facing new fuels and the low carbon fuel standard.

Sincerely,



Russell Teall
President
California Biodiesel Alliance



Steve Howell
Technical Director
National Biodiesel Board

Cc: Alexander Mitchell, Air Pollution Specialist, ARB

Specific comments related to the ADF Regulation, Section 2293. Alternative Diesel Fuels.

Section 2293.4 General Prohibition and Requirements Applicable to All ADFs:

- The starting date for fuel compliance with the regulation should be modified to be 2 years after final passage of the regulation. Once the regulation is in place, and if it is determined the alternative diesel fuel falls under the proposed Stage 3, commercial companies will need to conduct emissions testing, secure approval of the mitigation option, and then complete infrastructure changes to implement the approved mitigation option. Testing could easily take one year, and approval and implementation could easily take another year.

Section 2293.5 Phase-In Requirements

- For Stage 3: Emissions Mitigated Sales, Continued Enhanced Monitoring and Analysis, the time period for meeting the mitigation measures should be increased to 2 years, using the same rationale in 2293.4 above. In addition, it should be added that multiple mitigation solutions (e.g. additive formulations) should be certified prior to implementation to help ensure market neutrality and avoid creating a one solution monopoly situation.

Section 2293.7 Interim and Final Specifications for Alternative Diesel Fuel

- For the B100 specification, we recommend the following modifications:
 - o The B100 should meet the current version of ASTM D6751, plus the interim specifications outlined
 - o The specification for API gravity should be removed. The ASTM D6751 standard addresses this in the discussion of specific gravity in the standard in Note X1.3. Specific gravity is not monitored or tracked on an on-going basis for biodiesel because the values typically fall between 0.88 for un-saturated biodiesel (29.3 degrees API) and .89 for saturated biodiesel (27.4 degrees API) if all other specification values are met. Therefore, the values for biodiesel are inherently over 27 degrees API and there is no need to place an interim parameter for this property
 - o The sulfur test method should be changed to the referee test method used in D6751, ASTM D5453.
 - o The FAME content parameter should be removed. ASTM evaluated the addition of this parameter to the specification early on and determined the definition of biodiesel (i.e. mono alkyl esters) and the measurement of the other properties in the specification was sufficient to control non-ester components at a level that would provide acceptable engine performance. Over the last 20 years, this standard has proven successful for controlling biodiesel quality from the full variety of feedstocks found in the current US marketplace (i.e. used cooking oils, animal fats, vegetable oils, algal oils, etc.). If there is further need to control non-ester components that will be addressed by ASTM if needed. In addition, in ASTM deliberations early on, the variability in the test method EN14103 (on the order of plus/minus 3%) was not sufficient to specify a value in the range proposed (96.5%). For these reasons, we do not believe there is a need to specify this parameter at this time. However, if the ASTM standard does change in the future to include this parameter due to new or different feedstocks being used, it would be covered through our previous comment to specify the most current version of D6751.
 - o We support the CARB rationale that listing of the cetane number of 47 is appropriate. While

this is currently redundant with D6751, it is possible with new feedstocks that this parameter could be lowered in D6751 to that of conventional diesel fuel currently set at 40 minimum. The emissions testing by CARB has been on 47+ cetane biodiesel, so even though this parameter is currently redundant with D6751 we support leaving it in the CARB specifications.

Specific comments on Proposed Regulation Order, Amend sections 2281, 2282, 2284, and 2285, title 13, California Code of Regulations (CCR)

The changes proposed in this section are substantive, and apply to both diesel fuel in general and to the new Alternative Diesel Fuels, or put in ‘place holders’ for biodiesel which need to be aligned with the ADF proposal. While we understand the desire for ARB to update the diesel fuel rules in general, the changes proposed for diesel fuel and for Alternative Diesel Fuels are intermixed and make it difficult to separate out which portions of the proposals are specific to Alternative Diesel Fuels and which portions are related to diesel fuel or other non-ADF related modifications to the regulation.

The changes to the general diesel rules are substantive, and are likely to draw much comment from the conventional diesel fuel industry. Combining them with the ADF changes may significantly complicate the discussion and potentially delay the ADF/biodiesel ruling which would not be desirable. We recommend ARB separate out the changes related to the ADF/biodiesel ruling and those for diesel in general proposed by ARB. We recommend they be considered in two separate rulemakings, with ADF/biodiesel rulemaking occurring first.

With limited time to read and review the 40 pages of material associated with the changes in the Proposed Regulatory Order, we have not been able to fully review and understand all the material. Our comments below are therefore general in nature and we will continue to look at the information and dialog with ARB with questions and provide additional written comments in two weeks. With that in mind our general comments thus far are the following:

- To make it easier for the users of the regulations, the majority of the details regarding the ADF specification and the implementation of various ADFs should be placed in the new ADF section 2293 on Alternative Diesel Fuels rather than in the Standards for Diesel Fuel sections 2280-2285. This would include the current proposed placeholders in 2282(3), 2282(4), much of the ADF portion of 2288.
- 2282(3), 2282(4) and 2288 do not appear to be in line with the proposed 2293 ADF stages and need to be updated to be in agreement, including the allowance to co-mingle any ARB approved diesel fuel or ADF blend and the allowance for alternative emissions formulas.
- The latest test method for percent biodiesel is ASTM D7371-12. This should replace all references to D7371-7 throughout the proposed changes.
- The B6 to B20 ASTM standard, D7467, covers biodiesel blends ranging from B5.50 to B20.49, plus any additional tolerances allowed for test method or blending equipment variability. The ASTM D975 standard covers traditional diesel containing no biodiesel as well as blends containing biodiesel up to B5.49% (plus any additional tolerances allowed for test method or blending equipment variability). We recommend ARB utilize these ASTM values throughout the proposed changes rather than the 5.01 to 20.00 proposed in order to be in agreement with the ASTM conventions.
- Meeting the latest version of D6751 should be added to the definitions for pure biodiesel.
- Meeting the latest version D7467 should be added to the definitions for B6 to B20 blends (i.e. B5.50 to B20.49).
- The proposed labeling of any blend over B5 up to B20 as ‘B20’ is not in agreement with

current Federal Trade Commission labeling requirements and could create significant market confusion.

- We are still in the process of reviewing the diesel only related input and other sections will be providing additional comments on those sections over the next two weeks. We can say now, however, that we recommend the use of the series 60 engine be allowed for alternative emissions testing as long as the protocols were approved prior to December 31, 2015 or 2 years after the implementation of the regulation, whichever is later.