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Lex Mitchell
Air Pollution Specialist
California Air Resources Board
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October 24, 2014

Re: Comments from October 21, 2014 ADF Workshop

Dear Mr. Mitchell:

Thank you for the opportunity to comment on the Alternative Diesel Fuel (ADF) regulation. As a marketer of both biodiesel and renewable diesel as well as the Vice Chair of the California Biodiesel Alliance, this regulation is of great importance to me.

I would like to begin by making a key technical point, which is that every biodiesel data point in the three CARB studies was within the natural variability of the CARB diesel fuel tested. I believe this demonstrates that B5 is effectively NOx neutral. And in the B10 CARB studies, of the 14 data points, only 2 were outside the natural variability of the reference fuel, and those two data points were outside the bounds by a fraction of a gram, which is not measurable.

My chief concern with the regulation is that limiting biodiesel to B5 all year around (or B5 part of the year and B10 the remainder of the year) assumes there will be enough renewable diesel produced in the near-term. I personally market both biodiesel and renewable diesel and am aware of original engine manufacturers (OEMs) that are actively recommending limiting renewable diesel blending to low percentages, as well as retailers that have retreated from higher blending percentages due to issues with renewable diesel. Renewable diesel is simply not the same as its petroleum counterpart. However, it is chemically similar to petroleum diesel, so some of its emissions, like PM, are nowhere near as beneficial as biodiesel. Ultimately, I believe there is a strong argument to be made for using both products in combination to optimize the air quality benefits of both fuels.

Restricting blending to B5 will severely limit the growth of the California biodiesel industry. Several companies along with the State of California have invested tens of millions of dollars in biodiesel production, which will be stymied by limiting blending in this way.

This regulation will require significant industry changes and we recommend a minimum 3-year phase-in period to manage this type of transition for infrastructure and to develop and certify effective and affordable B20 additives. The current market in California is only blending about 1% so there is no risk in providing a 3-year phase-in, but there certainly are numerous benefits.

We support exempting biodiesel from the regulation when penetration of New Technology Diesel Engines (NTDEs) reaches 80%, as well as exempting fleets that use 80% NTDEs.

Biodiesel has significant (50% or greater) reductions in all types of emissions (except NOx), including CO2 and particulate emissions. We should be looking for ways to maximize those health benefits.

Biodiesel should be supported, if for no other reason than that it saves lives. As was mentioned during the most recent workshop, U.S. EPA recently estimated that PM contributes to 177,000 premature deaths every year. Some air districts in California are out of compliance for PM. Since biodiesel reduces PM by 50%, we should be looking for ways to expand its use. And as the State of California aggressively pursues its climate goals, I would like to remind staff that biodiesel continues to provide some of the lowest carbon fuel available today -- and will for the foreseeable future -- especially when made from very low carbon feed-stocks as is the case with most biodiesel produced in California.

Thank you for your consideration of my views on this proposed regulation. If you have any questions, please feel free to contact me at (310) 962-0488.

Sincerely,

A handwritten signature in dark ink, appearing to read "Joe Gershen", followed by a long horizontal line extending to the right.

Joe Gershen
Vice Chair
California Biodiesel Alliance