growth energy™
America's Ethanol Supporters

701 8th Street, NW, Suite 450, Washington, D.C. 20001
PHONE 202.545.4000 FAX 202.545.4001 GrowthEnergy.org

October 26, 2023

Mark Sippola
Branch Chief, Cap-and-Trade Program
California Air Resources Board
Sacramento, CA 95812

Via online submission

RE: Workshop on Potential Amendments to California's Cap-and-Trade Program

Dear Mr. Sippola:

Thank you for the opportunity to comment on CARB's recent workshop on potential amendments to the state's cap and trade regulation. Growth Energy is the world's largest association of biofuel producers, representing 96 U.S. plants that each year produce more than 9 billion gallons of renewable fuel; 115 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.

We appreciate CARB's continued interest in reducing greenhouse gas emissions in the state. Our industry represents the largest volume of accessible, low-carbon biofuels meant to achieve the objectives of the Board and the state of California.

As the presentation notes, bioethanol is appropriately exempt from the cap-and-trade program. Today's bioethanol represents a nearly 50 percent reduction in GHG emissions compared to gasoline and can continue to improve toward net zero with readily available technologies such as carbon sequestration and climate-smart agriculture practices.

In fact, as the Board knows well, bioethanol and other exempt biofuels such as biodiesel and renewable diesel make up the bulk of the credits generated under state's low carbon fuel standard and have been pillars on which the program's GHG emissions reductions have been built. Given the GHG reductions that bioethanol has already achieved, California has the potential to reduce

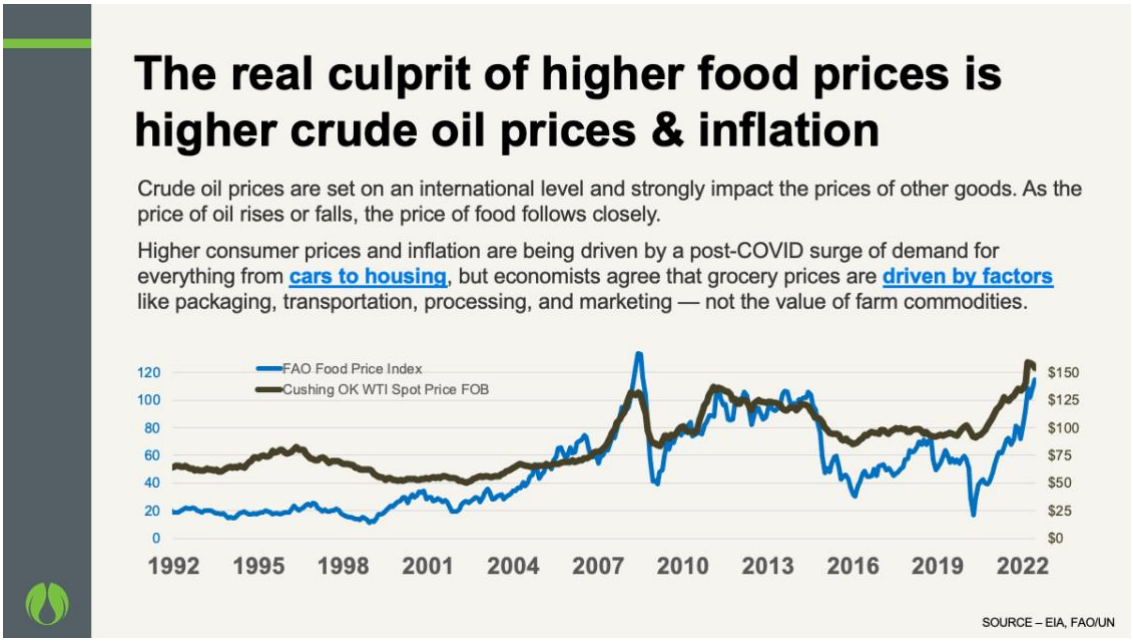
GHG by 1.9M tons per year with the approval of E15 alongside the continued growth in the use of E85.[1][2]

Biofuels, Land Use, Corn Oil, and Food Supply

We also believe CARB's concerns about the use of crop-based biofuels and their impact on land use are misplaced and unfounded. These fears have been largely based on outdated and flawed data. While CARB currently has an indirect land use change value (ILUC) of 19.8 gCO2e/MJ, a review of the more recent science over the last 5 years indicates a decreasing trend in land use values with the newer data indicating values closer to 4 gCO2e/MJ.[3] The ILUC value should reflect the latest science that better addresses innovation and increasing yields in agriculture.

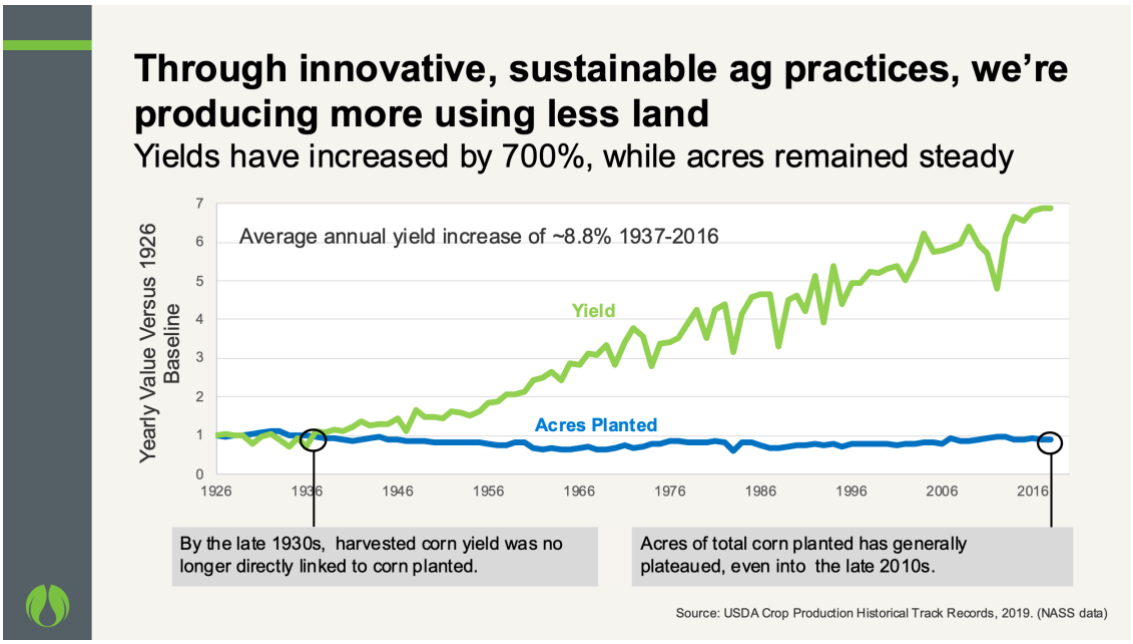
Related, we also believe that recent concerns about biofuel production on food cost and supply are unfounded. Our industry produces both food and fuel. Specifically, production of bioethanol results in a wide variety of co-products, perhaps the most significant of which is high-quality animal feed that contributes directly to the production of chicken, beef, pork, and other nutritious food. Specifically, one bushel of corn produces 2.8 gallons of bioethanol as well as 17-18 pounds of distillers dried grains (DDGS), a highly nutritious animal feed. Our industry produces nearly 40 million tons of animal feed per year. That feed is supplied to food producers here in the U.S. and around the world. Additionally, the renewable CO_2 from bioethanol production is also critical for meat processing, beverage carbonation, and water treatment.

Data from the United Nation's Food and Agriculture Organization (FAO) as well as from the U.S. Energy Administration (EIA) also show in the graph below that the price of food is closely correlated with the cost of crude oil rather than the cost of corn.



[1] Air Improvement Resources, "GHG Benefits of E15 Fuel in the United States", Nov. 30, 2020, National E15 Analysis Final (airimprovement.com)
[2] CARB Annual E85 Volumes: Alternative Fuels: Annual E85 Volumes | California Air Resources Board
[3] Environmental Research Letters: Carbon intensity of corn ethanol in the United States: state of the science (iop.org)

Additionally, as discussed previously relative to land use, farming practices like crop intensification and cover cropping have significantly improved the yield of all crops, further negating the impact of biofuel production on food crops. As the United States Department of Agriculture (USDA) and numerous others have noted, yields have (and continue to) climbed more than 700 percent while acreage has remained unchanged for the last century.



We strongly urge CARB to maintain its exemption for bioethanol and to maximize the use of higher bioethanol blends such as E15 to reduce greenhouse gas emissions. We would be happy to further discuss the role of higher bioethanol blends in further GHG reductions.
Thank you for the opportunity to comment and in advance for your consideration.

Sincerely,

Chris Bliley
Senior Vice President of Regulatory Affairs
Growth Energy

701 8th Street, NW, Suite 450, Washington, D.C. 20001
PHONE 202.545.4000 FAX 202.545.4001