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Pearson Fuels comments on petroleum supply stabilization

Additional submitted attachment is included below.



October 7, 2025

California Energy Commission
Docket No. 25-OIIP-02
715 P Street
Sacramento, CA 95814

RE: [Docket No. 25-OIIP-02] Informational Proceeding on Petroleum Supply Stabilization

RTC Fuels, LLC, dba Pearson Fuels, appreciates the opportunity to provide feedback on CEC's efforts to stabilize the state's petroleum supply. Pearson Fuels is the largest distributor of E85 in California and provides an innovative, low-carbon E85 by replacing the gasoline component of E85 with renewable naphtha. Paired with cellulosic ethanol, this E85 blend is fully renewable and low aromatic with greenhouse gas reductions approaching 80% compared to CARB unleaded gasoline.

We believe California faces serious challenges related to petroleum supply and gasoline price spikes that have not yet been remedied by legislative or regulatory actions. E85 remains an underutilized tool that should be leveraged to minimize consumer impacts resulting from refinery closures.

ENCOURAGE THE USE OF E85

E85 is nominally 85% ethanol and 15% gasoline. The fuel is already available at nearly 600 retail fueling locations across the state and typically sells for \$1.50-\$2.00 per gallon cheaper than gasoline. E85 is intended for use in flex fuel vehicles (FFVs). These vehicles can operate on E85, gasoline or any blend of the two. The comparatively small inclusion of gasoline in E85 inherently insulates it from any petroleum supply issues. As stated previously, Pearson Fuels is providing an E85 blend that replaces gasoline with renewable naphtha, thereby making the fuel immune from any petroleum refinery issues.

Most importantly for the state, E85 is a natural competitor to retail gasoline. During severe gasoline price spikes in 2022 and 2023, stations distributing E85 in our network saw dramatic E85 volume increases as consumers found affordable alternatives. In June 2022 when California gasoline prices reached a record-high at \$6.29 per gallon, E85 users saved \$2.24 per gallon by filling with E85. Instead of paying \$5.52 a gallon for gasoline in September 2023, drivers using E85 saved \$2.05 a gallon. This fuel switching behavior indicates a clear, economically rational choice from the consumer to select E85 rather than gasoline when prices are favorable.

There are more than 1 million FFVs in California that could help displace petroleum demand when supplies are tight and offer drivers cost relief. Just as CEC has urged consumers to seek unbranded gasoline,¹ CEC should engage in efforts to educate Californians who drive FFVs to use E85 if and when gasoline prices spike.

¹ <https://www.energy.ca.gov/news/2025-09/californias-petroleum-watchdog-issues-market-update-and-consumer-advisory-amid>



EXPAND FFV CAPABILITIES

We stated in previous comments to CEC² the agency should encourage the use of technology that allows traditional, internal combustion engines to operate on E85 or gasoline through the use of E85 kits. These units are not novel; they are approved for use and popular in France, where tens of thousands of units were installed in 2024 and converted vehicles now outnumber those originally equipped with flex fuel capability.³

It's critical to note that flex fuel technology does not require the use of E85 but rather gives drivers the option to choose either E85 or gasoline depending on price and availability.

E85 kits are simple, add-on parts that include a sensor capable of reading varying ethanol content in fuel and adjusting fuel injection correspondingly. They retail for only a few hundred dollars, are simple to install, and must meet emission standards to which the vehicle was originally certified.

The 49 other states in the nation allow EPA approval of these kits to suffice. In California, the kits need to be approved for use by the California Air Resources Board but would offer a unique opportunity to intervene in the lifetime emissions and petroleum usage of the millions of vehicles just beginning their useful life, and which will potentially exist on California roads for another 15 to 20 years. This timeframe will likely coincide with multiple refinery closures and resulting cost impacts to consumers as California rebalances supply and demand on its path to zero emission vehicle adoption.

We know gasoline price spikes will continue in California as more refineries scale down output – or experience production problems. Absent action from CEC, CARB or other empowered agencies, most of the state's drivers will be forced to pay higher costs on their daily commutes. We urge CEC to help provide more affordable options through the use of E85.

Sincerely,

A handwritten signature in black ink, appearing to read "Jeff Wilkerson", written over a horizontal line.

Jeff Wilkerson
Government Policy and Regulatory Affairs Manager
Pearson Fuels

² CEC Docket No. 23-SB-02; TN #256435 dated 5/16/2024

³ https://www.bioethanolcarburant.com/wp-content/uploads/2025/01/Conf-de-Presse-Bilan-BIOETHANOL-28-01-2025-VF-1_compressed.pdf