

DOCKETED	
Docket Number:	23-SB-02
Project Title:	SB X1-2 Implementation
TN #:	270642
Document Title:	California Fuels and Convenience Alliance Comments - Draft Transportation Fuels Transition Plan (TFTP)
Description:	N/A
Filer:	System
Organization:	California Fuels and Convenience Alliance
Submitter Role:	Public
Submission Date:	6/16/2026 1:31:12 PM
Docketed Date:	6/16/2026

*Comment Received From: California Fuels and Convenience Alliance
Submitted On: 6/16/2026
Docket Number: 23-SB-02*

Draft Transportation Fuels Transition Plan (TFTP)

Additional submitted attachment is included below.



California Fuels and Convenience Alliance

2520 Venture Oaks Way, Suite 100

Sacramento, CA 95833

916.646.5999

June 16, 2026

California Energy Commission
715 P Street
Sacramento, California 95814

RE: CFCA Comments – Draft Transportation Fuels Transition Plan (TFTP)

The California Fuels and Convenience Alliance (CFCA) represents approximately 300 members, including nearly 90% of all independent petroleum marketers in the state and more than half of the state's 12,000 convenience retailers. Our members—predominantly small, family- and minority-owned businesses—play a vital role in California's fuel supply chain, serving local governments, emergency services, school districts, transit companies, independent fuel retailers, and the agriculture industry.

As businesses embedded within the communities they serve, our members experience firsthand both the opportunities and challenges associated with California's transportation fuel transition. Their perspective is rooted in the practical realities of maintaining fuel affordability, supply reliability, and energy resilience while advancing the state's ambitious emissions reduction goals.

A DIVERSIFIED TRANSPORTATION FUELS STRATEGY IS ESSENTIAL

California's transportation fuels strategy should be guided by a simple principle: diversification. A resilient transportation energy system is one that expands the number of available lower carbon fuel pathways rather than concentrating policy and investment around a single technology or fuel source.

Diversification delivers multiple benefits. It broadens opportunities for emissions reductions, strengthens supply reliability, promotes competition, reduces consumer costs, and provides greater flexibility in responding to changing market conditions. Most importantly, diversification allows California to pursue its climate objectives while ensuring that households, businesses, and public agencies continue to have access to affordable and reliable transportation energy.

This principle is especially important given the state's ongoing fuel supply challenges. California is facing a period of significant transition within its petroleum refining sector, with announced refinery closures and conversions expected to reduce in state production capacity over the coming years. As supply constraints intensify, policies that support a broader portfolio of transportation fuels will become increasingly important to maintaining affordability and protecting consumers from unnecessary price volatility.

LONG TERM ROLE OF LOW CARBON LIQUID FUELS

The Draft Transportation Fuels Transition Plan appropriately recognizes the role that alternative low carbon liquid fuels can play in supporting California's transportation sector. However, these fuels should not be viewed solely as transitional solutions. Their demonstrated emissions benefits, scalability, affordability, and compatibility with existing infrastructure warrant recognition as long term components of California's transportation fuel portfolio.

Ethanol

Ethanol has already demonstrated its ability to reduce emissions while lowering costs for consumers. E85 can deliver lifecycle greenhouse gas reductions of up to 80 percent compared to conventional gasoline and is frequently available at retail prices that are \$1.50 to \$2.00 per gallon lower than conventional gasoline.

Equally important, ethanol leverages California's existing fuel distribution and retail infrastructure. More than 625 E85 fueling locations currently operate throughout the state, demonstrating both market demand and scalability. Additionally, expanded access to E15 would further increase emissions reduction opportunities while providing millions of Californians with access to a lower cost transportation fuel option.

As vehicle ownership trends continue to show an aging vehicle fleet, policies that focus exclusively on vehicle replacement risk overlooking meaningful near-term emissions reduction opportunities. Expanding access to higher ethanol blends allows existing vehicles to contribute to the state's climate goals while generating immediate fuel savings for consumers.

Renewable Diesel

Renewable diesel represents one of California's most successful transportation fuel decarbonization strategies and has become an indispensable tool for reducing emissions from hard to electrify sectors.

As acknowledged in the Draft TFTP, renewable diesel has displaced approximately 60 to 70 percent of conventional diesel fuel consumption in California and has delivered substantial emissions reductions across both on-road and off-road applications. Because renewable diesel functions as a drop-in replacement fuel, it can be deployed through existing infrastructure without requiring significant new investments from fleets, fuel suppliers, or consumers.

The success of renewable diesel illustrates the value of pursuing emissions reductions through multiple pathways. California should continue to support policies that encourage renewable diesel production and use through a stable LCFS framework and additional policies that strengthen supply while preserving affordability.

CONCERNS REGARDING THE PROPOSED SUSTAINABLE AVIATION FUEL TAX CREDIT

CFCA is concerned that the Draft TFTP references the proposed Sustainable Aviation Fuel Tax Credit without adequately examining the significant tradeoffs associated with the proposal.

While reducing emissions from aviation is an important policy objective, the proposal raises legitimate concerns regarding feedstock availability, renewable diesel production, transportation fuel affordability, and emissions outcomes in other sectors of the economy.

Sustainable aviation fuel and renewable diesel rely heavily on the same feedstocks, including used cooking oils, animal fats, and other waste-based inputs. By providing a targeted incentive for SAF production, the state risks redirecting finite feedstock supplies away from renewable diesel production.

This issue is particularly significant because renewable diesel has been one of California's most effective tools for reducing emissions from heavy duty transportation. Reduced renewable diesel production could increase reliance on conventional diesel fuel, slowing emissions reduction progress and negatively impacting communities located near major freight corridors and goods movement hubs.

In addition to emissions concerns, reduced renewable diesel supply may increase compliance costs under the Low Carbon Fuel Standard. As renewable diesel availability declines, regulated parties may face higher costs to meet compliance obligations, creating upward pressure on transportation fuel prices. These impacts would extend well beyond the fuel sector. Higher transportation costs ultimately affect agriculture, manufacturing, construction, goods movement, and consumer prices throughout the economy.

For these reasons, the final TFTP should provide a balanced assessment of the proposed SAF tax credit and acknowledge the potential impacts on renewable diesel supply, transportation fuel affordability, emissions reductions, and overall energy resilience.

CONCLUSION

California's transportation fuel transition will be most successful if it embraces an all of the above approach that prioritizes emissions reductions, affordability, reliability, and resilience equally. Low carbon liquid fuels such as ethanol and renewable diesel have already demonstrated their ability to reduce emissions at scale while utilizing existing infrastructure and minimizing costs for consumers.

These fuels should remain central components of California's long term transportation fuels strategy. CFCA respectfully urges the California Energy Commission to ensure that the final Transportation Fuels Transition Plan reflects the value of fuel diversification, recognizes the long-term role of alternative low carbon liquid fuels, and carefully evaluates policies that may inadvertently undermine affordability, supply reliability, and emissions reduction progress.

CFCA appreciates the opportunity to provide these comments and looks forward to continued engagement with the Commission as it develops a practical, durable, and economically sustainable pathway for California's transportation fuel future.

If you have any questions, please contact CFCA's Senior Policy Analyst, Gebriel Saleh, at gebriel@cfca.energy.

Sincerely,

Gebriel Saleh

Gebriel Saleh
Senior Policy Analyst

