

DOCKETED	
Docket Number:	23-SB-02
Project Title:	SB X1-2 Implementation
TN #:	271303
Document Title:	Gary Hughes Comments - Resource Shuffling and the Illusory Emissions Reductions of Renewable Diesel
Description:	N/A
Filer:	System
Organization:	Gary Hughes
Submitter Role:	Public
Submission Date:	7/7/2026 1:53:54 PM
Docketed Date:	7/7/2026

Comment Received From: Gary Hughes
Submitted On: 7/7/2026
Docket Number: 23-SB-02

Resource Shuffling and the Illusory Emissions Reductions of Renewable Diesel

Additional submitted attachment is included below.



July 7, 2026

David Hochschild, Chair
Siva Gunda, Vice Chair
Commissioners
California Energy Commission
715 P Street
Sacramento, CA 95814

Submitted online via

<https://efiling.energy.ca.gov/EComment/EComment.aspx?docketnumber=23-SB-02>

**Re: California Energy Commission (CEC) Docket #23-SB-02 regarding SB X1-2 Implementation –
Draft Transportation Fuels Transition Plan**

Esteemed Chair, Vice Chair, and Commissioners:

Please accept this comment letter on the California Energy Commission (CEC) Docket #23-SB-02 (the Docket) regarding SB X1-2 Implementation¹ and specifically for the Draft Transportation Fuels Transition Plan (Draft TFTP). The Draft TFTP was generated by both the CEC and the California Air Resources Board (CARB), but for ease of public engagement on this matter we are directing this letter to the CEC and CARB through the CEC Docket.

Our organization Biofuelwatch² is an international civil society organization that works to increase public understanding and civic engagement on the land-use implications of climate policy. We have a particular focus on illuminating the environmental harms and social inequities of large-scale industrial bioenergy projects, and we work extensively on addressing the negative ecological and social outcomes of policy and actions that are justified as being beneficial to the global climate, yet carry with them risks and threats to public health and safety, economic stability and natural resources.

This letter will not offer exhaustive comment on the Draft TFTP. Overall, we find the Draft TFTP to be inadequate for providing a workable road map to transition away from destructive energy sources for powering mobility in the state. This letter does not examine all of our concerns.

¹ <https://www.energy.ca.gov/proceeding/sb-x1-2-and-ab-x2-1-implementation>

² <http://www.biofuelwatch.org.uk/>

However, we want to point out high level problems with the Draft TFTP, chief among them being a brazen admittance by the CEC of the evidence that California is by no means reducing global or local greenhouse gas emissions through the uptake of so called 'renewable diesel.'

We offer below a screenshot of the text from the Draft TFTP that raises alarms because of the transparent admission that -- when it comes to liquid diesel fuel products -- that California is engaged in nothing more than "resource shuffling."

Review of this screenshot from p. 26 of the Draft TFTP reveals in no uncertain terms the problem that we are referring to:

met through in-state production, with the remaining demand met by marine imports. Diesel demand is currently met through in-state production of fossil fuel-based diesel and renewable diesel, and primarily domestic freight imports of renewable diesel. As demand and production for renewable diesel have increased in recent years, in-state production of fossil diesel has exceeded California's fossil diesel demand, leading to exports of fossil diesel and imports of renewable diesel.

Putting aside our organizations standing position that the emissions reductions from the burning of 'renewable diesel' are illusory and do not exist in the real world³, this admittance by the CEC to the "resource shuffling" dynamics of California importing 'renewable diesel' while exporting petroleum-based fossil diesel exposes the claims to emissions reductions due to the uptake of 'renewable diesel' in California to be completely fabricated.

It seems that a lesson in climate mitigation fundamentals is in order.

A review of the definitions of 'resource shuffling' offer these options:

"Resource shuffling" refers to the manipulation of supply chains to exploit favorable carbon accounting, often without actually reducing global greenhouse gas emissions.

"Resource shuffling" in climate policy refers to accounting loopholes where companies artificially shift clean, low-carbon resources toward regulated markets to avoid carbon fees, while dumping high-emissions products elsewhere.

In the context of 'renewable diesel' uptake and the refinery sector in California, as described by the CEC in the Draft TFTP and shown in the screenshot above, "resource shuffling" refers to a market manipulation tactic where suppliers shift ostensibly low-carbon fuels, such as 'renewable diesel,' to regions with strict climate policies (like California) while simultaneously redirecting their higher-carbon fuels, like petroleum-based fossil diesel, to unregulated or lesser regulated jurisdictions.

³ <https://www.biofuelwatch.org.uk/2025/illusory-emissions-reductions-from-biofuels-undermine-california-progress-on-climate/>

Such “resource shuffling” achieves no real global emissions reduction, but artificially lowers carbon accounting tallies in specific jurisdictions.

Nevertheless, despite the CEC providing descriptive evidence in the Draft TFTP demonstrating that “resource shuffling” – importing ‘renewable diesel’ and exporting petroleum-based fossil diesel – is a serious issue in California, there is no indication at all that the CEC or CARB have recognized the significance of this dynamic, much less acted upon it.

This question of “resource shuffling” in the diesel fuel market reveals fatal flaws in California’s approach to supposedly ‘decarbonizing’ energy intensive sectors such as truck, rail, shipping and even aviation.

Considering the fact that the claimed climate benefits of products like ‘renewable diesel’ are highly contested, with the best contemporary science revealing that making a liquid fuel product such as ‘renewable diesel’ from a feedstock like soy or animal tallow results in greenhouse gas emissions that are equal to or even exceed the full life-cycle emissions from a petroleum-based diesel product, the admission by the CEC and CARB in the Draft TFTP that “resource shuffling” is a real and major issue should be sufficient evidence for California climate authorities to fully reassess the role of liquid biofuels in California’s transportation fuels future.

Thank you for your attention to these comments.

A handwritten signature in cursive script, reading "Gary Graham Hughes".

Gary Graham Hughes, Co - Director / Americas Program Coordinator, Biofuelwatch
garyhughes.bfw@gmail.com / +1-707-223-5434