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Docket Number:	21-ALT-01
Project Title:	2021-2022 Investment Plan Update for the Clean Transportation Program
TN #:	237800
Document Title:	CA Advanced Biofuels Alliance Comments on CEC Clean Transportation Program 2021
Description:	N/A
Filer:	System
Organization:	CA Advanced Biofuels Alliance
Submitter Role:	Public
Submission Date:	5/14/2021 10:26:58 AM
Docketed Date:	5/14/2021

*Comment Received From: CA Advanced Biofuels Alliance
Submitted On: 5/14/2021
Docket Number: 21-ALT-01*

CABA CEC Clean Transportation Program 2021

Additional submitted attachment is included below.



May 14, 2021

Commissioner Patty Monahan
California Energy Commission
Sacramento, CA 95814

RE: 2021-2023 Investment Plan for the Clean Transportation Program

Dear Commissioner Monahan:

Thank you for the opportunity to comment on the Clean Transportation Program Investment Plan. We appreciate the Commission taking the time to learn about our industry's role in achieving the State's environmental goals. Our comment on this investment plan is to encourage the Commission to allocate more funding towards the use of biodiesel and renewable diesel (collectively "biomass-based diesel") in those heavy-duty vehicle (HDV) applications where electrification is not yet feasible. There is no need to continue using petroleum diesel in such applications when drop-in, sustainable biomass-based diesel is available now -- in blend ratios comprising up to 100% renewable content -- for achieving significant environmental and public health benefits.

The California Advanced Biofuels Alliance (CABA) is a not-for-profit trade association promoting the increased use and production of advanced biofuels in California. CABA has represented biomass-based diesel (BMBD) feedstock suppliers, producers, distributors, retailers, and fleets on state and federal legislative and regulatory issues since 2006.

The Clean Transportation Program Investment Plan proposes to allocate over \$200 million for zero-emission vehicles and infrastructure in the next three years, while only allocating \$25 million for zero- and near zero-carbon fuel production and supply. While we appreciate investment into alternative fuels, we believe there needs to be less disparity between all alternatives to petroleum. Our low-carbon fuels' carbon emissions are on par with electricity yet are allocated 8 times less money in your Clean Transportation Program Investment Plan. According to the California Air Resources Board's Low Carbon Fuel Standards' pathways, biodiesel and renewable diesel's lowest carbon intensity (CI) scores range from 8-16 and average at 26-33¹. Electricity's lowest CI score is 17 and averages at 24.² Biomass-based diesel can also be used in engines available today, immediately benefiting California.

Not only does biomass-based diesel have low carbon intensity scores, but it also provides other significant environmental and public health benefits. Relative to petroleum diesel, biomass-based diesel fuels reduce greenhouse gas emissions (GHG) upwards of 71%, diesel particulate matter³ (diesel PM) by 25% or more depending on blend levels, and carbon monoxide, polycyclic aromatic hydrocarbons (PAH), and other noxious compounds by a substantial degree. Also, each gallon of biomass-based diesel

¹ LCFS Dashboard, July 2020, <https://ww3.arb.ca.gov/fuels/lcfs/dashboard/dashboard.htm>

² Lowest EER-adjusted CI, for Q3 2020, Table 2 & EER-adjusted CA grid-average CI, Table 1, https://ww2.arb.ca.gov/sites/default/files/classic/fuels/lcfs/fuelpathways/comments/tier2/elec_update.pdf

³ CARB identified diesel PM as a toxic air contaminant in 1998, "with no safe threshold of exposure, which means that any diesel PM exposure may increase lifetime cancer risk for affected communities." Proposed Regulation on the Commercialization of Alternative Diesel Fuels, Staff Report: Initial Statement of Reasons, p. 50, <https://ww3.arb.ca.gov/regact/2015/adf2015/adf15isor.pdf>, accessed Feb. 10, 2020.



consumed helps keep multiple gallons of petroleum crude oil in the ground⁴, which advances the Governor's objectives to achieve carbon neutrality by 2045.

Because of their immediate benefits and current availability, biodiesel and renewable diesel should be used in all applications where petroleum diesel is used today. This includes on- and off-road transportation, marine applications and generators used during California's Public Safety Power Shut-offs.

Since widespread electrification of the long-haul medium- and heavy-duty fleet in California is not expected to happen until after 2040⁵, biomass-based diesel fuels can provide immediate public health benefits and help meet important policy objectives during the intervening years while electrification ramps up in the State. These sustainable diesel replacements can provide benefits to all Californians, but particularly for those vulnerable populations in disadvantaged communities near heavy freight activities and facilities.

The key to replacing fossil fuels is to continue growing the market for sustainable, renewable fuels like biomass-based diesel and investment in 100 percent renewable fuels storage and distribution infrastructure.

Our current lack of infrastructure causes a bottleneck in the distribution of renewable fuels. Allocating more money in the Clean Transportation Program Investment Plan for state-wide distribution infrastructure for biomass-based diesel will shift the balance of market control and should be a key part of the CEC's policy strategy.

Specifically, CABA estimates a need for 10-15 projects ranging from bulk fuel terminal retrofitting to dedicated renewable fuels distribution racks offering blends of biodiesel and renewable diesel as a 100% renewable solution. These projects have been estimated to cost between \$500,000 - \$4 million each.

As stated in CABA's whitepaper, "A Roadmap for Eliminating Petroleum Diesel in California by 2030," we believe the demand for BMBD and other alternative fuels will continue to grow, eliminating the need for petroleum diesel. In order to reach this goal, we need the state's financial support in deployment of renewable fuel infrastructure.

We do not believe there is any one magical solution to help California achieve its ambitious goals. We think that biomass-based diesel will continue to prove to be important, but we need less disparity and more fuel neutral policies and investment plans in order to achieve California's climate goals. We thank

⁴ As a general rule, each barrel (42 gallons) of petroleum crude oil yields about 19-20 gallons of gasoline, about 11-12 gallons of diesel, and about 4 gallons of other products. See <https://www.eia.gov/tools/faqs/faq.php?id=327&t=9>, last accessed Feb. 20, 2020.

⁵ CARB staff's own projections for electrification in the heavy-duty vehicle (HDV) sector suggests fleet penetration of electrified HDVs would not grow beyond single digits until sometime after 2040. See Appendix F, Figs. 1-5, "Staff Report: Initial Statement of Reasons," released October 22, 2019, <https://ww3.arb.ca.gov/regact/2019/act2019/appf.pdf>, pp. 7-9, accessed Feb. 20, 2020.



staff for their continued work on this important matter and look forward to collaborating more with you. Please feel free to contact us if any questions should arise.

Sincerely,

A handwritten signature in black ink that reads "Rebecca Baskins".

Rebecca Baskins
Executive Director
California Advanced Biofuels Alliance