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## **Low Carbon Fuels Coalition Comments**

*Additional submitted attachment is included below.*



Low Carbon  
Fuels Coalition

December 20, 2022

David Hochschild  
Chair, California Energy Commission  
715 P Street  
Sacramento CA 95814

**RE: Low Carbon Fuels Coalition Comments to Hearing on California Gasoline Price Spikes, Refinery Operations, and Transitioning to a Clean Transportation Fuels Future**

Dear Chair Hochschild,

The Low Carbon Fuels Coalition (LCFC) appreciates the opportunity to offer comments on the November 29, 2022 hearing of the California Energy Commission. The LCFC is comprised of a diverse set of companies and stakeholders dedicated to decarbonizing the transportation sector by developing and implementing the use of low carbon fuels. These liquid, gaseous and electric fuels are essential to enable our economy to continue to thrive as we decarbonize our transportation system. In addition to our work in California, the LCFC is the lead association working to establish tech-neutral and performance-based clean fuel standard (CFS) programs in other states and at the federal level, as well as supporting international socialization and expansion of CFS programs.

Recurring spikes in conventional gasoline and diesel directly impact consumer wallets and burden the wider economy in conjunction with higher transportation costs. The LCFC appreciates that the CEC has dedicated attention to the significant drivers and impacts of high petroleum and fuel prices, and that the agency clearly recognizes that it does not have to be this way.

As stated in the final AB32 Scoping Plan adopted by the Board this month “The LCFS is the primary mechanism for transitioning California’s transportation fuel pool with low-carbon alternatives and has fostered a growing alternative fuel market.” One often overlooked characteristic of the LCFS, however, is its ability to encourage the development of cost-competitive, and often much more inexpensive, renewable fuels when compared to conventional petroleum-based fuels.

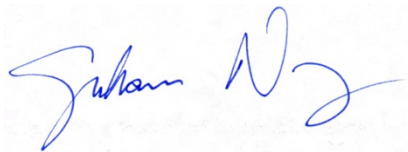
As a result of the LCFS, renewable fuels that are coming online are cheaper for the consumer on a miles-travelled basis when compared to gasoline and diesel. That is to say that today you can go a lot further on renewable electricity and other renewable biogenic fuels per dollar spent in comparison to petroleum. ‘Drop-in fuels’ that can be used in existing engines without need for retrofit like renewable diesel or high-ethanol blends (E85) are commonly cheaper at the pump. Further, while gasoline prices rose rapidly in the wake of Russia’s invasion of Ukraine, E85 retail prices remained relatively stable, widening the price gap, and demonstrating the value of fuel diversity by providing a market buffer for drivers of flex-fuel vehicles. Further, replacement fuels that require a different drive train (e.g. battery electric vehicles), are typically about three times less costly depending on the cost of the electricity.

These significant consumer cost savings were amongst the findings in an [analysis](#) of the primary drivers of retail gasoline prices in California by economic consulting firm Bates White.<sup>1</sup>

As the Commission continues to consider approaches to ‘transition to clean transportation fuels’ it is important to acknowledge and support “climate-smart” and “consumer-friendly” policies like the LCFS and increase the ambition of this performance-based and technology-neutral mechanism to achieve even better outcomes for consumers’ wallets and the environment.

The Low Carbon Fuels Coalition is thankful to the Commission for hosting this hearing. We know that the work ahead is not going to be easy, but the Coalition stands ready to be of assistance as we continue to build an economy driven increasingly by low- and zero-carbon fuels that can not only advance California’s climate goals, but also do so in a way that is beneficial to consumers from a cost perspective.

Sincerely,



Graham Noyes  
Executive Director  
Low Carbon Fuels Coalition

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<sup>1</sup> Bates White Economic Consulting, “Low Carbon Fuels Standards Market Impacts and Evidence for Retail Fuel Price Effects”, April 2022, at <https://www.lcfcoalition.com/s/Bates-White-LCFC-Report-Updated-20220421.pdf>