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*Comment Received From: Renewable Fuels Association (RFA)*  
*Submitted On: 8/31/2023*  
*Docket Number: 23-SB-02*

**to the Fuels Assessment workshop held August 17, 2023**

*Additional submitted attachment is included below.*



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August 31, 2023

Mr. Ryan Eggers  
Transportation Fuels, Data and Analysis Unit  
California Energy Commission  
715 P St.  
Sacramento, CA 95814

**Re: SBX1-2 – Transportation Fuels Assessment – Docket #23-SB-02**

Dear Mr. Eggers,

The Renewable Fuels Association (RFA) appreciates the opportunity to comment on the workshop of August 17, 2023, regarding the Fuels Assessment analysis as part of the SBX1-2 implementation process.

The Renewable Fuels Association (RFA) is the leading national trade association representing U.S. fuel ethanol producers. Its mission is to advance the development, production, and use of low-carbon fuel ethanol by strengthening America's ethanol industry and raising awareness about the benefits of renewable fuels. Founded in 1981, RFA serves as the premier forum for industry leaders and supporters to discuss ethanol policy, regulation, and technical issues. RFA's 300-plus members are working daily to help America become cleaner, safer, more energy secure, and economically vibrant.

The RFA believes that higher blends of ethanol represent an immediate way to increase clean fuel supply in California, displacing petroleum, while reducing GHG and criteria pollutants all at a lower cost to consumers. We applaud the inclusion of E15 on the list of long-term measures for increasing fuel supply but respectfully submit that E15 should be on the top of the list of short-term measures. The EPA approved the use of E15 nationwide in 2011 and currently California and Montana are the only two states that have not yet certified E15 under state fuel regulations.

All that needs to occur to facilitate the introduction of E15 in CA is for the California Air Resources Board (CARB) to approve the use of E15 in CA RFG. Since the Transportation Fuels Assessment is a joint program between CEC and CARB, this is an important forum for accelerating an E15 rulemaking. The multi-media work, required by state law for new fuels, is nearly complete, awaiting final approval of the Multimedia Working Group and endorsement of the California Environmental Policy Council.<sup>1</sup>

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<sup>1</sup>California Multimedia Evaluation of E10-E15 Gasoline Ethanol Blends  
[https://drive.google.com/file/d/19TwGFY19Z1JP\\_6YqYAHgwV7J5cHUR-ry/view?usp=sharing](https://drive.google.com/file/d/19TwGFY19Z1JP_6YqYAHgwV7J5cHUR-ry/view?usp=sharing)

In the states where E15 is currently sold, consumers are seeing significant cost savings at the pump, as documented by the RFA in a recent analysis on ethanol's impact on gasoline prices coming into the Labor Day Weekend.<sup>2</sup> Ethanol reduces prices at the pump due to the historically lower cost of ethanol relative to wholesale gasoline and by increasing overall fuel supply. It is also important to note that ethanol is a high-octane component that displaces some of the most expensive and toxic additives in gasoline.

RFA also encourages the inclusion of higher blends of ethanol such as E85 on the identified strategies for increasing the states supply of low carbon clean fuels. E85 is a legal fuel in California and currently sells at approximately a \$1.50 discount to regular gasoline. California consumers have responded to this price signal and as reported by CARB E85 sales in California have increased dramatically over the last two years reaching over 100 million gallons sold in 2022.<sup>3</sup>

It is important that the state adopts policies to ensure that Flex Fueled Vehicles (FFVs) are continued to be sold in California to facilitate the continued growth of E85. All the fuel forecasts by CARB, CEC and others show that there will be billions of gallons of liquid fuels consumed in California for decades to come even under the most aggressive electrification scenarios. To achieve the state's carbon neutrality goal by 2045, all liquid fuels remaining will need to be low to zero carbon fuels. Ethanol is the only low to zero liquid fuels substitute for gasoline in the market today.

Since the petroleum use in transportation is projected to decline rapidly, increasing the market share of ethanol in the gasoline pool displaces petroleum more rapidly, without a corresponding increase in the overall consumption of ethanol in California. Maintaining the current low carbon ethanol supply in the market will ensure that as the light duty transportation fleet fully converts to ZEVs, ethanol can transition to supplying the hard to electrify applications such as aviation fuel which will need large volumes of biofuels to decarbonize.

The RFA looks forward to working with CEC and other stakeholders in developing a fuels strategy that can meet the climate, criteria pollutant, and energy goals of California while at the same time addressing the important goals of consumer choice and affordability.

Thanks,

Neil M. Koehler  
Policy Advisor

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<sup>2</sup> [https://drive.google.com/file/d/19TwGFY19Z1JP\\_6YqYAHgwV7J5cHUR-ry/view?usp=sharing](https://drive.google.com/file/d/19TwGFY19Z1JP_6YqYAHgwV7J5cHUR-ry/view?usp=sharing)

<sup>3</sup> [https://ww2.arb.ca.gov/sites/default/files/2023-03/Annual\\_E85\\_Volumes\\_Chart\\_3-15-2023.pdf](https://ww2.arb.ca.gov/sites/default/files/2023-03/Annual_E85_Volumes_Chart_3-15-2023.pdf)

