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**POET Comments on the California Energy Commission's SB X1-2
Workshop**

Additional submitted attachment is included below.



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California Energy Commission
Docket Unit, MS-4
Docket No. 23-OIIP-01
715 P Street
Sacramento, California 95814

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<https://efiling.energy.ca.gov/EComment/EComment.aspx?docketnumber=23-OIIP-01>

RE: POET Comments on the California Energy Commission's SB X1-2 Workshops

POET, the world's largest producer of biofuels, is pleased to submit comments in response to the California Energy Commission's (CEC) [Workshop on SB X1-2 Maximum Gross Gasoline Refining Margin and Penalty Structure](#) on April 11, 2024. POET shares CEC's concerns regarding high fuel prices in California. We write to reiterate our support for E15 as an immediate, cost-cutting, sustainable fuel option. Accelerating the availability of E15 would reduce gasoline prices, lower greenhouse gas (GHG) emissions, and cut petroleum consumption by increasing the availability and use of sustainable low-carbon biofuel blends. POET previously provided detailed comments in support of E-15 adoption as part of the August 2023 Transportation Fuels Assessment Workshop conducted under SB X1-2.¹

The workshop on April 11, 2024 focused on the fuel price spikes faced by California consumers and the potential to impose a maximum gross gasoline refining margin and penalty structure to address these spikes. Although POET does not have input on the design or other considerations for a margin and penalty framework, we express our support for the goal of SB X1-2 and emphasize the potential of E15 to control fuel prices.

As discussed in our prior comments and in recent meetings with the Commission on this topic, there are clear benefits to adopting E15 in California and no meaningful barriers to approving E15 for sale immediately. Indeed, California remains the only state in the Union yet to approve E15 as part of its transportation fuel supply, and its inaction on this front lies in tension with the State's climate goals. Even under the most aggressive targets for electric vehicle adoption, there will be millions of internal combustion engines on the road for decades to come. Authorizing the use of E15, which is EPA-approved for 96% of light duty vehicles, will help decarbonize these legacy vehicles and, according to California's own studies, deliver improved public health outcomes in areas most affected by tailpipe emissions.

Furthermore, most retail fueling infrastructure is ready for E15 today. According to numerous reports by the National Renewable Energy Laboratory, U.S. Department of Energy, EPA, Steel

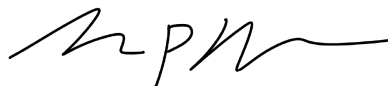
¹ <https://efiling.energy.ca.gov/GetDocument.aspx?tn=252081&DocumentContentId=87088>

Tank Institute, and Fiberglass Tank and Pipe Institute, most underground storage tanks made in the last 30 years are approved up to 100% bioethanol, and most fuel dispensing equipment is already manufacturer-approved for E15.² In fact, since the 1980s, petroleum equipment manufacturers have offered compatible products for blends above 10% bioethanol, including storage tanks, piping, valves, hanging hardware, dispensers, hoses, and nozzles, as standard equipment.

Evidence abounds that United States consumers will choose E15 where it is offered. Among retailers that offer E15, the fuel has developed a strong sales record, generating 30 to 56% of total fuel sales in many locations.³ In short, there is no reason to delay the E15 approval process in California, which will lower gas prices and result in climate and public health benefits consistent with the State's climate goals.

POET appreciates the opportunity to comment and looks forward to working with CEC to provide Californians with cleaner renewable fuel options like E15. If you have any questions, please contact me at Josh.Wilson@POET.COM or (202) 756-5612.

Sincerely,



Joshua P. Wilson
Senior Regulatory Counsel

²See e.g., U.S. Department of Energy, Handbook for Handling, Storing and Dispensing E85 and Other EthanolGasoline Blends, at 11 (Feb, 2016), https://afdc.energy.gov/files/u/publication/ethanol_handbook.pdf; see EPA, Report on UST System Compatibility with Biofuels, at 5 (July 2020), https://view.officeapps.live.com/op/view.aspx?src=https%3A%2F%2Fwww.epa.gov%2Fsites%2Fdefault%2Ffiles%2F2020-07%2Fust_compatibility_booklet_formatted_final_7-13-2020.docx%23%3A~%3Atext%3DMost%2520currently%2520installed%2520UST%2520systems%2Chigher%2520blends%2520are%2520now%2520available.&wdOrigin=BROWSELINK; Steel Tank Institute, Steel Tanks: Compatible with All Biofuel Blends, (last visited Apr. 25, 2024), <https://stispfa.org/resource/steel-tanks-compatible-with-all-biofuel-blends/>

³ Growth Energy, The E15 Advantage: The Secrets to Success, at 1 (Feb. 2021), <https://e15advantage.com/wp-content/uploads/2021/02/GE-E15-Advantage-White-Paper.pdf>