DOCKETED	
Docket Number:	23-SB-02
Project Title:	SB X1-2 Implementation
TN #:	260756
Document Title:	POET Comments - POET Comments on the CEC's "Petroleum Year in Review" Workshop
Description:	N/A
Filer:	System
Organization:	POET
Submitter Role:	Public
Submission Date:	12/20/2024 8:53:56 AM
Docketed Date:	12/20/2024

Comment Received From: POET
Submitted On: 12/20/2024
Docket Number: 23-SB-02

POET Comments on the CECâ€™s â€œPetroleum Year in Reviewâ€ Workshop

Additional submitted attachment is included below.

December 20, 2024

California Energy Commission
Docket Unit, MS-4
Docket No. 23-SB-02
715 P Street
Sacramento, California 95814

Submitted online via:
https://efiling.energy.ca.gov/EComment/EComment.aspx?docketnumber=23-SB-02

RE: POET Comments on the CEC's "Petroleum: Year in Review" Workshop

POET, the world's largest producer of biofuels, is pleased to submit comments in response to the California Energy Commission's (CEC) "Petroleum: Year in Review" Workshop hosted on December 5, 2024.

The workshop on December 5, 2024, was focused on reviewing the CEC's petroleum work completed this past year and reviewing the petroleum trends in 2024, including production, inventory and prices. As highlighted in the workshop - and throughout the SBX1-2 process - managing California's supply and demand of petroleum is key to addressing gasoline price spikes. While the state is working to electrify the transportation sector quickly, the issue of price spikes will persist given that there will still be a significant number of internal combustion engine (ICE) vehicles for decades to come. As noted by the CEC, between 16 million and 25 million light duty combustion vehicles will still be on the road by 2035.[1] Although E15 was not a focus of this workshop, POET would like to highlight how increased deployment of ethanol in California's transportation fuel supply can help achieve the state's goals of alleviating price speaks and protecting consumers.

First and foremost, adopting E15 will help alleviate concerns regarding California's gasoline supply. California is the only state in the country that does not allow for E15. By approving a 15% ethanol blend in California gasoline — instead of 10% — the state can displace an additional 5% of gasoline and thereby reduce the supply of gasoline needed. Federal policy in this area is instructive. This past April, the U.S. Environmental Protection Agency (EPA) issued a fuel waiver to allow E15 gasoline to be sold during the summer to "ensure an adequate fuel supply." The logic behind this approach is that it is possible to protect consumers by not only increasing the fuel supply but also ensuring there are a variety of gasoline fuel blends available. Similarly, the adoption of E15 in California can help increase the state's fuel supply and thereby help protect against price spikes at the pump.

[1] CEC, Petroleum: Year in Review Workshop Presentation.

Additionally, as discussed in our prior comments and in meetings with the Commission on this topic, adopting E15 can be key to providing affordable transportation fuel. As further explained in Attachment A, E15 allows consumers to save money without sacrificing fuel economy. Last year, Americans saved an average of 22 cents per gallon with E15 compared to E10 gasoline based on reported prices at the pump, with savings reaching 40-60 cents per gallon. Savings of this magnitude could prove crucial in protecting consumers in times of price spikes as demand surges.

California is well-positioned to take advantage of E15 with existing transportation fuel infrastructure. E15 also supports environmental justice goals because it reduces tailpipe and evaporative emissions relative to lower ethanol blends and thereby helps improve air quality in high-traffic neighborhoods that disproportionately suffer from air pollution and related health risks. These benefits will multiply in the future as ethanol production practices evolve, paving the way for increased deployment of deeply decarbonized ethanol into the California fuel supply. *See* Moniz, Ernest et al., *A Strategic Roadmap for Decarbonizing the U.S. Ethanol Industry - EFI Foundation*, at 36 (Sept. 19, 2024).

CONCLUSION

In summary, POET supports the CEC's work on ensuring a reliable, safe, and affordable fuel supply. E15 is a proven and readily available emissions reduction technology that meets California's climate goals and promotes the state's desire for increased fuel supply and widespread fuel savings across the state. 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) 940-6487.

GET CALIFORNIA ON THE ROAD TO E15

E15 is a 15% bioethanol fuel blend that can boost octane while burning cleaner and cooler than conventional gasoline. In 2011, the U.S. EPA approved E15 for all light-duty vehicles Model Year 2001 and newer and all Flex Fuel vehicles. Since then, Americans have driven more than 100 billion miles on E15. Today, the nation's 245 million E15-compatible cars, pickup trucks, and SUVs represent more than 96% of vehicle miles traveled.

Arizona and Montana just lifted state restrictions on E15, following approvals by Nevada, Oregon, and New York in recent years. Despite the fuel's many benefits and longtime use of other bioethanol blends like E10 and E85, California is now the only state where E15 is prohibited.

E15 compliments California's climate and air quality goals. Even with large numbers of new electric vehicles entering the fleet, millions of internal combustion engines will still be on the road in California for decades to come. Californians should have the freedom to fuel those engines with the cleanest and most affordable fuel option available: E15.

FUELS SAVINGS AT THE PUMP

E15 saves money without sacrificing fuel economy. Last year, Americans saved an average of 22 cents per gallon with E15 compared to E10 gasoline based on reported prices at the pump, with savings reaching 40-60 cents less per gallon. Department of Energy test program data "showed no statistically significant loss of vehicle performance (emissions, fuel economy, and maintenance issues) attributable to the use of E15 fuel compared to straight gasoline."

CUTS CLIMATE EMISSIONS

E15 is better for our planet because it reduces lifecycle greenhouse gas (GHG) emissions in the fuel supply. Recent studies prove that plant-based bioethanol reduces lifecycle emissions by 40-46% compared to standard gasoline. In fact, a study by Air Improvement Resource, Inc. showed that shifting from E10 to E15 in California would cut 1.8 million metric tons of GHG emissions annually, equivalent to removing more than 411,000 cars off the road.

IMPROVES AIR QUALITY

Bioethanol replaces benzene, toluene, and xylene (BTX) in gasoline. BTX is harmful to human health and linked to adverse developmental, reproductive, immunological, and cardio-pulmonary effects. By reducing tailpipe and evaporative emissions, including carbon monoxide, particulates, and volatile organic compounds, E15 can improve air quality in high-traffic neighborhoods that disproportionately suffer from air pollution and related health risks.

UTILIZES EXISTING INFRASTRUCTURE

Most of California's existing fuel infrastructure is ready for E15. Numerous reports by the National Renewable Energy Laboratory, Department of Energy, EPA, and others confirm most underground storage tanks made in the last 30 years are approved up to 100% bioethanol, and most fuel dispensing equipment is manufacturer-approved for E15. California's bulk storage tanks and railcars are also easily repurposed from petroleum to biofuel.

E15 FAST FACTS

Approved in
49 STATES

Offered at
3,400 STATIONS

Driven More Than
100 BILLION MILES

2023 National Sales
1 BILLION GALLONS

2023 Avg Savings
22 CENTS/GALLON