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Growth Energy Comments on SB X1-2 Implementation

Additional submitted attachment is included below.



Growth Energy™
Expanding America's Bioeconomy

May 17, 2024

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

Liane Randolph
Chair
California Air Resources Board
P.O. Box 2815
Sacramento, CA 95812

RE: 5/3/24 Transportation Fuels Assessment and Transportation Fuels Transition Plan Workshop

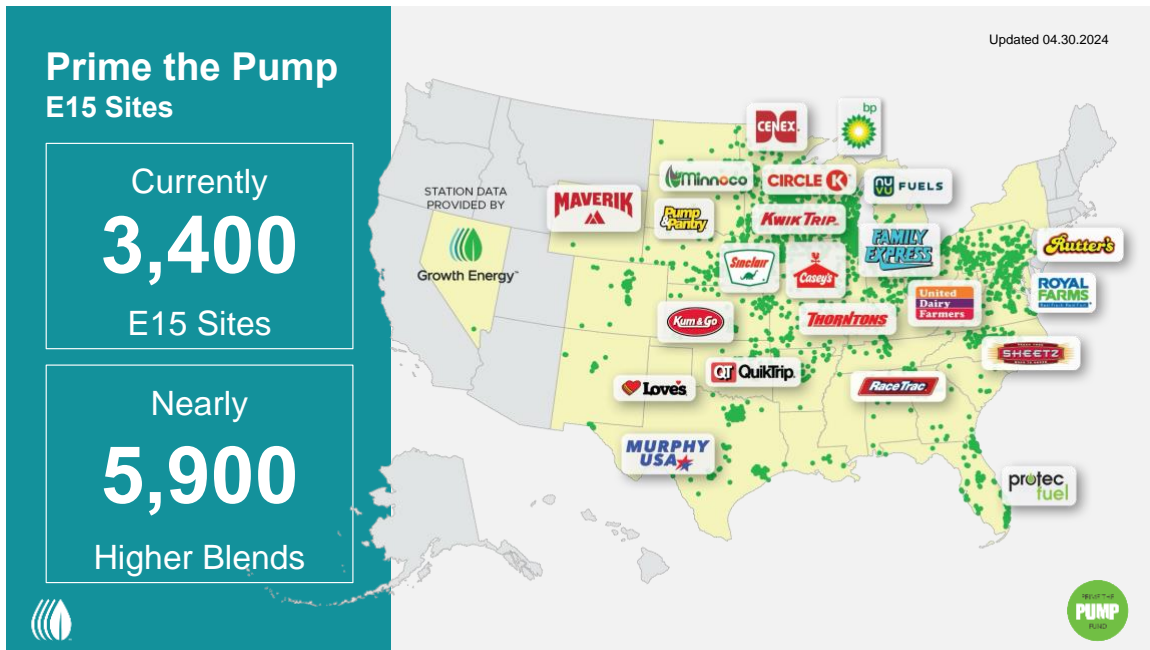
Chairs Hochschild and Randolph:

Thank you for the opportunity to provide written comments on the California Energy Commission's (CEC) and California Air Resources Board (CARB) joint workshop on the draft Transportation Fuels Assessment. Growth Energy is the world's largest association of biofuel producers, representing 97 U.S. plants that each year produce more than 9.5 billion gallons of renewable fuel; 119 businesses associated with the production process; and tens of thousands of biofuel supporters around the country. Together, we are working to bring better and more affordable choices at the fuel pump to consumers, improve air quality, and protect the environment for future generations. We remain committed to helping our country diversify our energy portfolio in order to grow more green energy jobs, decarbonize our nation's energy mix, sustain family farms, and drive down the costs of transportation fuels for consumers.

We appreciate the CEC's and CARB's consideration of E15's use in California as a means of mitigating price fluctuations impacting California drivers. Approval of E15 will bring an affordable, environmentally beneficial option to the pump for California drivers. California is currently the only state in which E15 is not approved for sale and use. Consumers have embraced E15's reputation as a more environmentally beneficial, more affordable fuel. Since the US EPA approved E15 in 2011, its availability has rapidly expanded to now 3,400 retail sites in 32 states. Since then, drivers across the country have now driven more than 100 billion miles on E15.¹

The California E15 approval process is ongoing, and industry stakeholders recently submitted the Tier III report on E15 to the Multimedia Working Group (MMWG). The data in all reports submitted to MMWG shows a variety of environmental benefits associated with E15. We stand ready to continue to assist the state in its completion of their evaluation and eventual approval of the fuel.

¹ <https://growthenergy.org/2024/01/29/100-billion-miles-e15-growth-energy/>



Additionally, we applaud the CEC and CARB for their efforts to identify policy options for reliable and affordable transportation fuels for the state. The draft Transportation Fuels Assessment highlights the many economic and environmental benefits to California if E15 were to be approved:

1. **Its likeliness to lower the price of fuel in the state.**
 - In fact, E15 consistently saves drivers 10-30 cents per gallon. In the summer of 2023, it saved drivers an average of 15 cents nationwide.²
2. **E15's potential "favorable environmental benefits"**
 - Greenhouse gas (GHG) emissions from bioethanol are 46% lower compared to gasoline.³ Additionally, as has been researched by the University of California, Riverside and the University of Illinois at Chicago and submitted to CARB and the MMWG, the use of more bioethanol and bioethanol-blended fuel reduces harmful particulates and air toxics such as carbon monoxide, and benzene.⁴
3. **"E15 is allowed by the EPA and currently sold in 31 states."**
 - E15 was approved by the U.S. EPA in 2011 for use in all passenger vehicles model year 2001 and newer.⁵ It is currently available for sale in 32 states and approved for sale in 49 states. In fact, California is the lone state in which E15 is not approved for sale.

² <https://growthenergy.org/2023/09/19/summer-savings-with-e15/>

³ <https://iopscience.iop.org/article/10.1088/1748-9326/abde08>

⁴ https://ww2.arb.ca.gov/sites/default/files/2022-07/E15_Final_Report_7-14-22_0.pdf

⁵ <https://afdc.energy.gov/fuels/ethanol-e15>

4. “The U.S. already exports about 60,000 BD of ethanol.”

- According to the U.S. Energy Information Administration, current capacity for the U.S. bioethanol industry is 17.7BG of production⁶ while domestic blending for 2023 was 14.24BG⁷ and we exported 1.43BG⁸. There is clearly ample capacity and ability to meet California’s E15 needs.
- As a result, E15 needs in California can also be met without any land use change impact: The United States is planting grain corn on roughly the same number of acres as was planted in 1900.⁹ At the same time, the per acre yield has increased more than 600%.¹⁰

However, we believe the perceived drawbacks to E15 approval listed in the draft assessment are based on faulty or outdated information.

1. “Refineries may rebalance for higher ethanol blends, potentially mitigating the longer-term ability for this strategy to reduce costs.”

- Any adjustments refiners may have to make for E15 are far outweighed by the lower cost of ethanol relative to gasoline. As previously mentioned, E15 consistently saves drivers 10-30 cents per gallon.

2. “Potentially costly infrastructure changes are likely needed.”

- California, the sole remaining state yet to approve E15 for sale, is ready. The existing California UST database shows that a significant percentage of tanks are already compatible for use with E15, and the vast majority of tanks built, UL certified, and installed in 1989 or later in California are compatible with E15 storage.¹¹
- Additionally, updating the retail level infrastructure is simple as base-model dispensers for the two largest manufacturers are at least E15 compatible: All Wayne dispensers and all Gilbarco dispensers since 2008 are warranted for E15.^{12,13}
- Beyond the pump, most if not all midstream infrastructure bringing E10 and E85 to California is capable of carrying E15.

3. “Blending E15 in California is not currently approved by CARB or EPA and could take years to conduct regulatory process and implement.”

⁶ [Ethanol explained - supply of ethanol - U.S. Energy Information Administration \(EIA\)](#)

⁷ https://www.eia.gov/outlooks/steo/pdf/steo_full.pdf

⁸ https://www.eia.gov/dnav/pet/pet_move_expc_dc_NUS-Z00_mbb1_a.htm

⁹ https://www.nass.usda.gov/Publications/Todays_Reports/reports/croptr19.pdf,

https://www.nass.usda.gov/Charts_and_Maps/Field_Crops/cornac.php

¹⁰ <https://www.agry.purdue.edu/ext/corn/news/timeless/YieldTrends.html>

¹¹ <https://www.epa.gov/ust/ust-finder>

¹² https://www.doverfuelingsolutions.com/files/ugd/7eec9b_233e4025ef73408ab032a32e6ce4e124.pdf

¹³ http://docs.gilbarco.com/gold/download.cfm?doc_id=7444

- Industry groups have submitted Tier 3 report to the Multimedia Working Group. It is currently in the middle of the process, and we stand ready to assist in its completion.
 - E15 was approved for use in all 2001 and newer light-duty vehicles in 2011 and is now approved for use in all states but California.
- 4. “Unclear impact on evaporative emissions and potential adverse air quality and health impacts.”**
- Research conducted for the MMWG reports shows clear benefits to air quality with E15: the use of more bioethanol and bioethanol-blended fuel showed significant reductions in carbon monoxide, harmful particulates, and air toxics such as ethylbenzene.
 - Additionally, as previously mentioned, data from the Department of Energy’s Argonne National Lab also shows a nearly 50% reduction of GHGs in ethanol compared to gasoline. E15 can be a vital contributor to achieving GHG reductions.
 - A simple switch from E10 to E15 statewide would reduce GHG emissions by 1.8 million tons. This is the emissions reduction equivalent of taking 400,000 cars off California roads each year, while providing a more affordable fuel for drivers.¹⁴
- 5. “Ethanol price may increase with higher demand.”**
- As noted previously, there is ample capacity in the U.S. bioethanol industry. The industry is capable of addressing increased production without market disruptions were California to approve E15. Additionally, California’s approval of E15 would not result in any negative impact on land conversion.

We thank CEC and CARB for raising the benefits of E15 and strongly urge CARB to continue the approval process for E15 so that California drivers can have access to an affordable, environmentally beneficial fuel that allows legacy vehicles to contribute to the state’s GHG reduction goals immediately as future technologies are more widely adopted. Additionally, we are available to provide any technical guidance or answer any questions CEC or CARB may have.

Sincerely,



Chris Bliley
Senior Vice President of Regulatory Affairs
Growth Energy

¹⁴ <http://www.airimprovement.com/reports/national-e15-analysis-final.pdf>