

DOCKETED

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Pearson Fuels comments to ICFAC

Additional submitted attachment is included below.



December 12, 2024

California Energy Commission
Docket No. 23-ICFAC-01
715 P Street
Sacramento, CA 95814

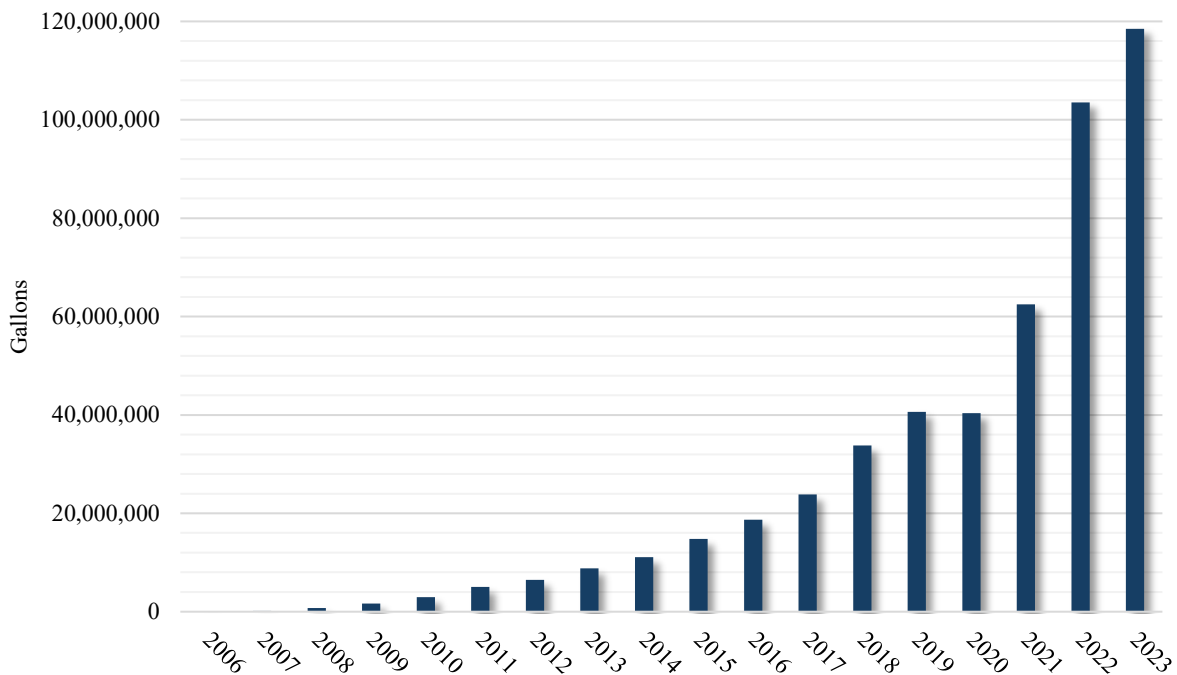
RE: Pearson Fuels comments to the Independent Consumer Fuels Advisory Committee

RTC Fuels, LLC, dba Pearson Fuels (“Pearson Fuels”), appreciates the opportunity to provide comments to CEC’s Independent Consumer Fuels Advisory Committee. Pearson Fuels is the largest distributor of E85 in California, supplying E85 to more than 400 fueling locations across the state with an additional 100 sites expected to open within the next 12-24 months. Pearson Fuels is providing an innovative, low-carbon E85 by replacing the gasoline component of E85 with renewable naphtha wherever possible. Paired with cellulosic ethanol, this E85 is fully renewable and low aromatic with lifecycle greenhouse gas reductions approaching 80% compared to CARB unleaded gasoline.

We ask ICFAC to consider the potential of E85 in flex fuel vehicles (“FFVs”) and conventional internal combustion engines (“ICE”) to provide economic relief to Californians during price spikes and mitigate gasoline supply shortages.

For background, E85 is a renewable alternative fuel, made from biomass and agricultural waste. Typically, E85 in California is comprised of 85% ethanol and 15% gasoline. As stated previously,

Annual E85 Volumes, California

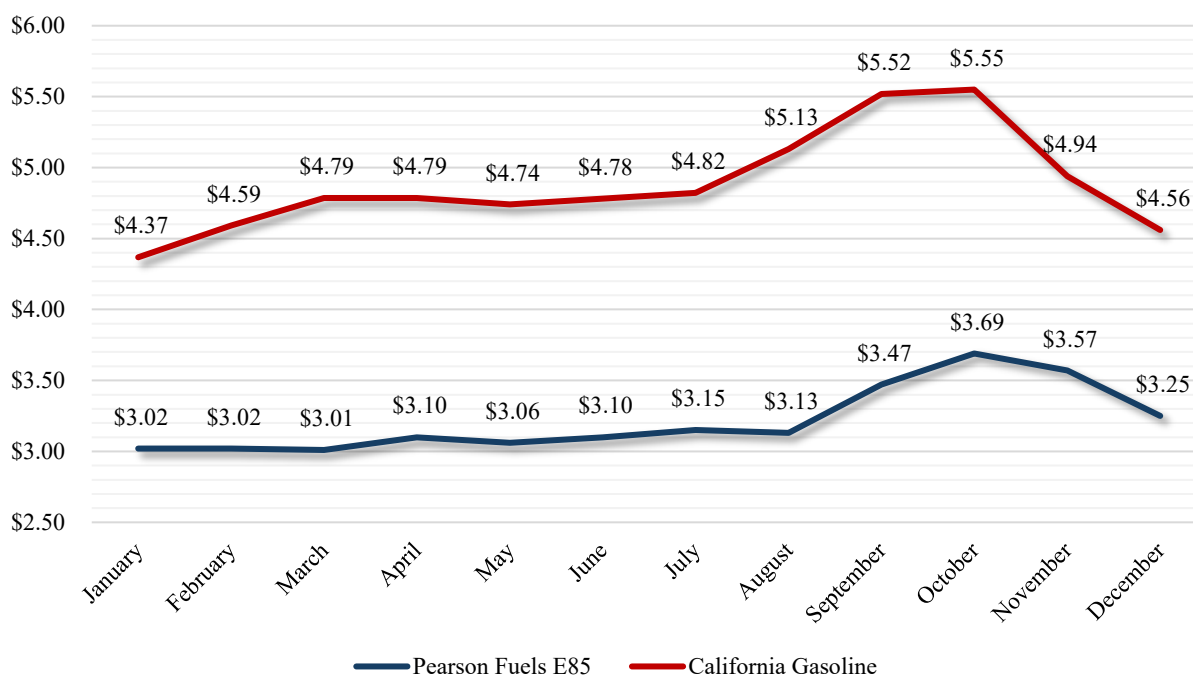




Pearson Fuels is replacing the gasoline component with renewable naphtha, thereby creating a 98% renewable gallon.¹ FFVs can use E85, gasoline or any blend of the two.

The volume of E85 supplied to California drivers in 2023 reached a record-high 118.5 million gallons, continuing a remarkable 15-year trend of significant year-on-year growth.² This sustained increase is due partly to the favorable economic price spread between E85 and gasoline³ and E85 station expansion in California. An FFV driver in California could have saved \$745 in 2023 simply by choosing E85 rather than gasoline.

Average Retail Price per Gallon, 2023



As California faces less gasoline supply due to refinery closings or conversions, E85 will be the more affordable substitute during severe shortages and resulting price spikes.

ICFAC could assist in this by helping educate FFV drivers they can use E85 – something not all FFV owners know.

¹ Ethanol production plants are required to use at least 2% denaturant to make fuel ethanol unfit for human consumption. Code of Federal Regulations Title 27. Alcohol, Tobacco Products and Firearms § 27.21.21 General

² California Air Resources Board, Alternative Fuels: Annual E85 Volumes, retrieved from <https://ww2.arb.ca.gov/resources/documents/alternative-fuels-annual-e85-volumes>

³ Pearson Fuels E85 price data; U.S. Energy Information Administration, California All Grades All Formulations Retail Gasoline Prices



We further urge ICFAC to study E85 conversion kits that would allow conventional ICE vehicles to fill with and use E85. These kits are approved for use and popular in France.⁴ E85 conversion kits in California would first need to be approved for use by the California Air Resources Board⁵ but would offer a unique opportunity to intervene in the lifetime emissions of the millions of ICE vehicles that will potentially exist on California roads for another 15-20 years.

Multiple E85 kit manufacturers are interested in offering their products in California – however the economic hurdles to testing and approval are barriers to entry.

The increase of E85 use and availability at retail gasoline stations can continue to reduce millions of gallons of gasoline cumulatively as the fleet electrifies. Thank you for the opportunity to comment, and we look forward to engaging with the committee on this issue.

Sincerely,

A handwritten signature in black ink that reads "Jeff Wilkerson".

Jeff Wilkerson
Government Policy and Regulatory Affairs Manager
Pearson Fuels
jeff@pearsonfuels.com

⁴ French bioethanol sector website, retrieved from <https://www.bioethanolcarburant.com/reglementation-desboitiers-bioethanol/>

⁵ California Air Resources Board, Alternative Fuel Retrofit Systems (Aftermarket), retrieved from <https://ww2.arb.ca.gov/alternative-fuel-retrofit-systems-aftermarket>