



May 8, 2024

Bill Peters
Oregon Department of Environmental Quality
700 NE Multnomah St., Suite 600
Portland, OR 97232

Mr. Peters,

Thank you for the opportunity to provide comments on the Department of Environmental Quality's (DEQ) 2024 Clean Fuels Program (CFP) rulemaking. Growth Energy is the world's largest association of biofuel producers representing 97 U.S. plants that produce 9.5 billion gallons of cleaner-burning, renewable fuel annually; 119 businesses associated with the production process; and tens of thousands of biofuel supporters across the country. Our ultimate objective is to work together to bring better and more affordable choices at the fuel pump, 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.

Growth Energy has previously submitted extensive comments demonstrating the vital role low carbon biofuels and higher biofuel blends can play in meeting Oregon's ambitious climate goals. We appreciate the opportunity to provide further comments on the proposed rulemaking and how expanded E15 use can help the state achieve its objectives.

Consideration of Sustainability Certification

In response to the April 17th CFP's Rulemaking Advisory Committee meeting, we request the Department not consider the proposal on sustainability certification for crop-based biofuels currently under consideration by the California Air Resources Board (CARB). We have a variety of concerns with the proposal, which we have detailed in comments to CARB.

The proposal's sustainability certification for crop-based fuels cites concerns regarding land use change (LUC) factors that are unfounded relative to corn starch bioethanol. In fact, the United States is planting grain corn on roughly the same number of acres as was planted in 1900.¹ At the same time, the per acre yield has increased more than 600%.²

Additionally, the LUC concern is already addressed in the CFP's carbon intensity (CI) modeling. Corn starch bioethanol is given an automatic 7.6 gCO₂e/MJ penalty for indirect land use change (ILUC). Adding the proposed sustainability criteria to the current ILUC score amounts to an unfair

¹ https://www.nass.usda.gov/Publications/Todays_Reports/reports/croptr19.pdf,
https://www.nass.usda.gov/Charts_and_Maps/Field_Crops/cornac.php

² <https://www.agry.purdue.edu/ext/corn/news/timeless/YieldTrends.html>

double penalty for corn starch bioethanol. We also believe the 7.6 gCO₂e/MJ penalty is outdated and not based on the most up to date research. A review of more recent science indicates a decreasing trend in land use values with the newer data indicating values closer to 4 gCO₂e/MJ.³

Further, the proposed sustainability certification will add onerous and costly requirements on biofuel producers and farmers. Yet CARB's economic analysis of the proposal does not discuss the sustainability requirement's financial burden of implementation. Nor will the requirement allow bioethanol producers to use important tools like climate-smart agricultural practices for CI reduction. Some of these practices include precision application of fertilizer, use of low CI fertilizer, no or low-till farming practices, and the use of cover crops.⁴

Finally, with respect to CARB's proposed sustainability audit, the proposal's audit requirements address issues, while important to environmental and social justice, fall outside the scope of the LCFS. The proposed sustainability audit process would require auditors to conduct: "review of management systems", "review of social practices", and an assessment of the "economic sustainability of the applicant." These items have no bearing on GHG reduction. Furthermore, if the proposal is adopted, crop-based biofuels would be the only feedstock for which these criteria would be audited.

Carbon Capture and Sequestration

New innovations at biorefineries throughout the United States allow pure, biogenic carbon dioxide (CO₂) to be captured at a massive scale, and multiple projects are already underway that repurpose, reuse, or provide a permanent storage solution for the majority of that CO₂. We appreciate DEQ's leadership on the issue of carbon capture utilization and sequestration (CCUS) and the approval of Red Trail Energy LLC's Tier 2 application including CCUS last year. We encourage DEQ to continue broad allowance for credit generation from CCUS.

We applaud DEQ's efforts to recognize the value of carbon emissions reduction via CCUS. We also understand and appreciate that DEQ will accept pathways with non-onsite CCUS approved or recertified by the California Air Resources Board, we request DEQ works to ensure all CCUS operations remain eligible for CI crediting by maintaining current eligibility provisions. Restricting CI crediting only to on-site sequestration prevents the vast majority of biorefineries from benefiting as most plants' locations do not have the geology necessary for Class VI CO₂ injection wells. Many of these bioethanol facilities will eventually be utilizing CCUS via a CO₂ pipeline. Whether on-site or transported safely via pipeline to be sequestered elsewhere, carbon dioxide is removed from the atmosphere and contributes to the emissions reduction benefits of bioethanol. Those facilities should not effectively incur a penalty due to the geology of their location when other CCUS opportunities remain.

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

⁴ <https://growthenergy.org/policy-priority/climate-smart-agriculture/>

Expanded Use of E15 and Higher Blends

We applaud Oregon allowing the sale of E15, gasoline containing up to fifteen percent ethanol, in 2021.⁵ We encourage the state to adopt policies that encourage the expanded use of E15 as well as higher blends such as E85. More than 96% of all vehicles on the road today can take advantage of E15, which if replaced E10 statewide, would result in more than 190,000 tons in GHG reductions.⁶ This is the equivalent of removing more than 41,000 vehicles off Oregon's roads without impacting a single driver.

Additionally, E85 is currently available at only five sites in the state⁷. With an existing fleet of more than 186,000 Flex Fuel vehicles (FFVs)⁸, Oregon can utilize E85, which will promote even greater reductions in GHG emissions in addition to reductions in air toxics. We encourage Oregon to incentivize the use of FFVs and invest in infrastructure expanding access to E85 in the state. Doing so would achieve multiple goals: improve air quality and GHG emissions, reduce the state's dependence on fossil fuels, and provide consumers with an affordable choice to power their vehicles.

Thank you for the opportunity to provide input on the 2024 CFP rulemaking. The CFP is a critical tool to addressing climate change, and we look forward to working with DEQ to ensure the role of biofuels in making Oregon's fuel mix more sustainable and help the state achieve its progressive climate goals through the expanded use of bioethanol. Additionally, we are happy to make ourselves available for any questions DEQ may have.

Sincerely,

A handwritten signature in blue ink, appearing to read "Chris Bliley". The signature is stylized and cursive.

Chris Bliley
Senior Vice President of Regulatory Affairs
Growth Energy

⁵ <https://growthenergy.org/2021/12/02/oregon-finalizes-e15-rule-to-take-effect-in-january/>

⁶ <http://www.airimprovement.com/reports/national-e15-analysis-final.pdf>

⁷ <https://getbiofuel.com/fuelfinder/>

⁸ <https://afdc.energy.gov/vehicle-registration>