



California Fuels and Convenience Alliance

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Chair Liane Randolph

Members of the Board

California Air Resources Board

1001 I Street, Sacramento, California 95814

RE: Request for Consideration of R99, CNG, and RNG for Grant Funding Opportunities

The California Fuels and Convenience Alliance (CFCA) represents a substantial membership base, including approximately 90% of independent petroleum marketers and over half of the state's convenience retailers. These members are predominantly small, family- and minority-owned businesses that play a crucial role in providing essential services to the residents of California. They serve a wide range of sectors, including local governments, law enforcement, emergency services, school districts, construction firms, transit companies, healthcare facilities, trucking fleets, independent fuel retailers, and agriculture, among others.

CFCA is writing to urge the California Air Resources Board (CARB) to continue to consider the inclusion of renewable diesel (R99), compressed natural gas (CNG), and renewable natural gas (RNG) as eligible fuels for grant funding opportunities. These alternative fuels present viable solutions to reduce the carbon intensity of the transportation sector, especially considering the existing limitations in charging infrastructure and grid capabilities throughout the state. By recognizing the full potential of these fuels, CARB can deliver immediate and significant emissions reductions, aid the State in meeting its mandated emissions goals, and bridge a very critical gap in the energy transition while the State implements the Advanced Clean Fleets rule.

Considering the availability and capabilities of current heavy-duty electric vehicle models, CFCA remains concerned with the timeline for vehicle adoption under the Advanced Clean Fleets rule. Operating under such a timeline will leave the State's critical supply chains, encompassing food, fuel, water, and medical supplies, to face severe bottlenecks and shortages, adversely affecting the well-being of California residents. This situation will also disproportionately impact small businesses that will undoubtedly struggle to acquire new vehicles and parts when competing with larger companies with greater purchasing power.

The current vehicle offerings by manufacturers do not possess sufficient range to meet the demanding requirements of the transportation industry. Heavy-duty vehicles are essential for timely goods delivery and are frequently utilized continuously. The existing electric vehicle options are currently inadequate in fulfilling the tasks performed by conventional internal combustion engine vehicles, especially as it pertains to the timely and safe movement of fuel.

CFCA urges the Board to consider additional exemptions for electrification to ensure the safety of all drivers on the road. The transportation of fuels by ZEV heavy-duty trucks presents unquantifiable risks in the event of collisions on the road. An assessment of the added hazards of transporting fuels via electric vehicle should be completed prior to implementation so that adequate safeguards can be put in place to protect drivers. Additionally, fuel terminals do not currently allow for electric trucks to receive fuel due to the safety hazards this would present.

These challenges highlight the immense need for the continued support of cleaner alternative fuels that significantly reduce the transportation sector's emissions, utilize existing infrastructure so that they can be deployed immediately, and serve as an alternative when vehicle capabilities and bottlenecks in supply chains and infrastructure projects present roadblocks to electrification. The continuation of grant funding opportunities for these alternative fuels is critical to ensure wider market adoption and a cleaner environment.

Solutions

Renewable diesel holds great promise as a drop-in fuel as it seamlessly integrates with existing diesel infrastructure while reducing emissions by up to 80%. By capitalizing on the existing infrastructure, R99 allows for an expedited transition to cleaner fuels without requiring substantial investments in new equipment and vehicles. It demonstrates remarkable emission reductions compared to conventional diesel, including lower greenhouse gas emissions, particulate matter, and other harmful pollutants. The inclusion of R99 in grant funding opportunities would encourage its adoption, leveraging the existing diesel fleet and infrastructure to achieve an immediately cleaner environment.

Additionally, according to the August 23, 2023 [press release](#) from the California Air Resources Board, renewable diesel has played a significant role in helping the State hit an important milestone in shifting away from diesel in the first quarter of 2023. In 2022, renewable diesel was by far the leading alternative fuel by volume and generated the most credits under the Low Carbon Fuel Standard [program](#). Renewable diesel should be appropriately recognized for the emissions reductions directly attributable to the deployment of this fuel and considered as an integral fuel as part of the state's energy transition plan.

Furthermore, compressed natural gas (CNG) and renewable natural gas (RNG) offer significant advantages as viable alternative fuels. CNG serves as a bridge fuel for heavy-duty vehicles, utilizing the available natural gas refueling infrastructure. It has proven effective in reducing emissions and improving air quality, making it an appropriate option during the transitional period toward ZEV technologies. RNG, derived from organic waste sources, presents a carbon-neutral or even carbon-negative emissions profile, further enhancing its appeal as a sustainable fuel option. By embracing CNG and RNG, California can tap into its existing natural gas infrastructure and significantly reduce emissions across various vehicle applications.

In addition to emission reductions and infrastructure utilization, it is crucial to acknowledge the cost advantages associated with R99, CNG, and RNG in comparison to ZEV counterparts. While ZEV technologies hold promise for a sustainable future, they often come with higher acquisition costs and face challenges related to limited charging infrastructure, particularly for heavy-duty vehicles such as trucks and buses. Grant funding opportunities that incentivize the adoption of R99, CNG, and RNG would enable fleet operators to transition to cleaner fuels at a lower cost, benefiting the environment and public health while ensuring economic feasibility.

Considering the benefits of R99, CNG, and RNG, as well as the challenges faced by the fuel industry in the context of Advanced Clean Fleets, CFCA kindly requests CARB to consider these fuels as eligible alternatives for grant funding opportunities. By doing so, CARB can promote the adoption of these cleaner fuel technologies, accelerate emissions reductions, leverage existing infrastructure, and address the unique challenges associated with the implementation of Advanced Clean Fleets.

Thank you for your attention to this matter. I look forward to your response and the continued progress toward meeting California's emissions goals while ensuring the safety and viability of the fuel industry.

Respectfully,

A handwritten signature in black ink, appearing to read 'Alessandra Magnasco', is written over a light blue circular stamp.

Alessandra Magnasco
Governmental Affairs and Regulatory Director
California Fuels and Convenience Alliance