

August 22, 2025

The Honorable Lori D. Wilson
The Honorable David A. Alvarez
1021 O Street, Ste. 8110 and Ste. 5320
Sacramento, CA 95814

Subject: Select Committee on the Transportation Costs and Impact of the Low Carbon Fuel Standard

Co-Chairs Wilson and Alvarez:

The undersigned biofuels coalition appreciates the opportunity to provide comments to the Select Committee on the Transportation Costs and Impact of the Low Carbon Fuel Standard (LCFS). For many years, our organizations representing North America's oilseed and low-carbon fuel value chain have worked with the California Air Resources Board (CARB) to ensure the LCFS program delivers on its promise of reducing emissions, strengthening rural economies, and lowering consumer fuel costs.

We write today to respectfully raise our collective concerns with recent changes to the LCFS. Unless corrected, these changes threaten the continued availability of sustainable domestic biofuels in California. The result would be greater reliance on fossil diesel, higher greenhouse gas emissions, increased air pollution in disadvantaged communities, and higher fuel prices for Californians.

The Importance of Domestic Biofuels in California

A Cornerstone of California's Clean Energy Mix

- In 2024, California consumed over 900 million gallons of biomass-based diesel (BBD), including but not limited to soybean and canola oil, representing 73% of all diesel use in the state¹.
- Additionally, in 2023, the state's consumption equated to nearly 3 billion pounds of soybean oil and 1.7 billion pounds of canola oil used for clean fuels².

Measurable Climate Benefits

- Compared to petroleum diesel, soy- and canola-based BBD delivers 57% lower carbon intensity³.
- In 2024, nearly 900 million gallons of BBD avoided over 16 million tons of GHG emissions, generating 57% of all LCFS credits⁴ (calculated further from benchmark data assumptions).

Protecting Affordability for Consumers

- Without correction, LCFS amendments could raise petroleum diesel by \$0.66/gallon and gasoline by \$0.43/gallon by 2028 (United Soybean Board commissioned study with updated American Soybean Association analysis).
- Expanded BBD use mitigates these impacts (April 2025 Clean Cities and Communities Alternative Fuel Price Report)⁵:
 - B20 saves consumers \$0.25/gallon
 - B99/100 saves \$0.08/gallon
 - R99/100 costs the same as ultra-low sulfur diesel (ULSD)
- LCFS credits flow through the supply chain, creating downward pressure on prices and spurring demand for cleaner fuels, a cycle that benefits both the environment and consumers.

¹ [Clean-Fuels-Alliance-America-Annual-Report-2024.pdf](#)

² [Advanced BioFuels USA – California's Proposed LCFS Cap on Soy, Canola Biofuels 'Far Worse than Anticipated' Public Comment DEADLINE August 27, 2024](#)

³ [US EPA Renewable Fuels Study Archive](#)

⁴ [LCFS Data Dashboard | California Air Resources Board](#)

⁵ https://afdc.energy.gov/files/u/publication/alternative_fuel_price_report_april_2025.pdf

Why California Needs BBD Now and in the Future

- *Heavy-duty fleet realities:* More than 90% of heavy-duty vehicles in California still run on diesel⁶, and many will remain in service well beyond 2035.⁷
- *An immediate, scalable solution:* BBD is a cost-effective, drop-in fuel that provides real emissions reductions today, while the state continues its transition to zero-emission vehicles (ZEVs).
- *Energy security and rural economies:* Nearly 50% of U.S. soybean oil and 25% of renewable diesel inputs already support BBD⁸. With projected production capacity of 5.3 billion gallons by 2026 and 6.7 billion gallons by 2030⁹, U.S. feedstocks can ensure a stable, domestic supply chain that supports rural jobs and investment in disadvantaged communities.

Policy Recommendations

To maintain momentum toward California's climate and affordability goals, we urge CARB and the Legislature to take the following steps:

1. **Sunset the Alternative Diesel Fuel (ADF) regulation in 2025.**
The ADF regulation was designed to phase out once cleaner engines exceeded 90% of the fleet; a milestone reached in 2025. Removing this outdated rule will enable greater biodiesel blends and further reduce fuel costs.
2. **Update Indirect Land Use Change (ILUC) values with current data.**
CARB's ILUC factors for soy and canola rely on outdated and flawed data and assumptions. Modern analysis shows the value for soy should be between 9 and 10 gCO₂e/MJ¹⁰, two-thirds lower than today's number, reflecting real sustainability gains. California should reward, not punish, these improvements. Likewise, the ILUC (14.5 gCO₂e/MJ) for canola is overestimated due to assumptions made on emission factors from conversion of one land type to another that grossly overstate for conversion of cropland/pasture to cropland, leading to an inflated emissions score for canola. These flawed and unsupported assumptions should not be the basis for state policy.
3. **Remove the feedstock cap on crop-based credit generation.**
The 20% cap on soy, canola, and sunflower oils could reduce BBD supply by 800 million gallons annually, forcing a net increase in fossil diesel use. This undercuts LCFS goals and denies Californians access to the least-cost compliance option (Figure 1).

⁶ [Medium- and Heavy-Duty Zero-Emission Vehicles in California](#)

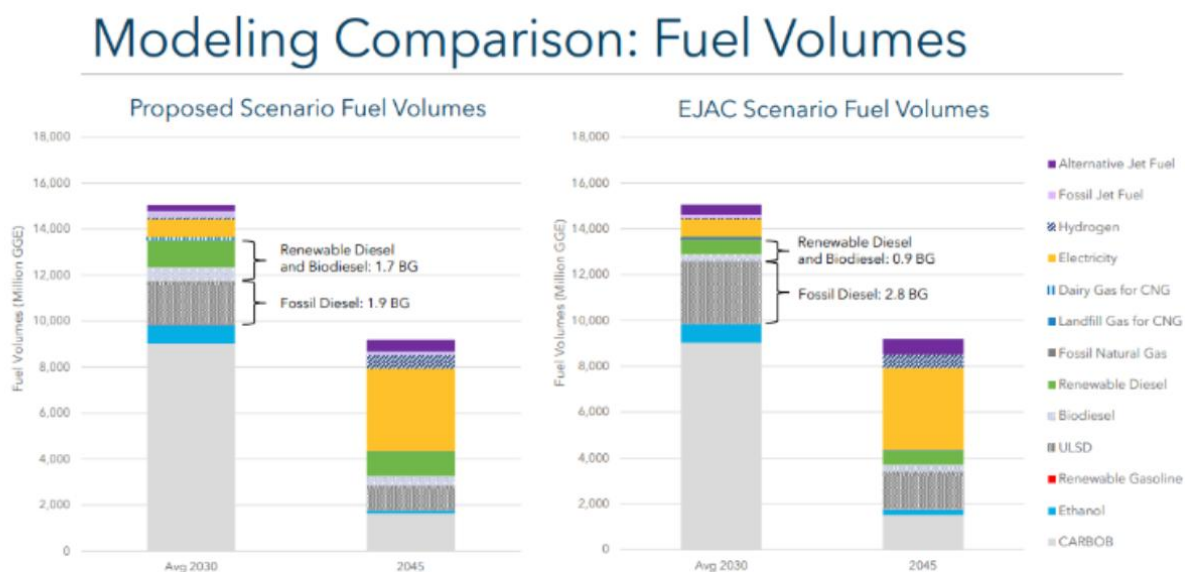
⁷ [ACC II ISOR](#)

⁸ https://s.giannini.ucop.edu/uploads/pub/2024/06/27/v27n5_3.pdf

⁹ [Feedstock Study - NOPA](#)

¹⁰ Farzad Taheripour, Omid Karami, and Ehsanreza Sajedinia "Biodiesel induced land use changes: An assessment using GTAP BIO 2014 data base", June 2023

Figure 1



Source: California Air Resources Board

April 2024 Public Workshop

Moreover, California's own modeling suggests that by 2030, 80% of vehicles in the state will still rely on combustion engine technology. Consequently, CARB staff indicated that adopting the Environmental Justice Advisory Committee's cap proposal could lead to increased reliance on fossil diesel—projected at 2.8 billion gallons in 2030 compared to 1.9 billion gallons without a cap. Implementing this cap would heighten demand for imported waste feedstocks while limiting the use of soy and other vegetable oil feedstock in biomass-based diesel. We strongly warn that this would further destabilize rural economies, raise fuel prices, and undercut California's emission-reduction efforts.

Conclusion

California's energy transition must be ambitious and practical. Biomass-based diesel delivers tangible, cost-effective pollution reductions at scale today. For hard-to-decarbonize sectors like trucking, rail, marine, and aviation, these fuels remain essential. Instead of limiting proven solutions, California should be demanding more of them. Unnecessary restrictions and outdated assumptions put decades of progress at risk and threaten the livelihoods of family farms and other small businesses who form the backbone of the biofuels value chain.

On behalf of the undersigned coalition, we urge you to preserve and strengthen support for domestic biofuels as a vital bridge to California's cleaner, renewable future. We stand ready to continue working in collaboration with you to achieve these goals. Thank you for your leadership.

Sincerely,

Caleb Ragland
President
American Soybean Association

Devin Mogler
CEO
National Oilseed Processors Association

Tim Mickelson
President
US Canola Association

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CC:

Members, Select Committee on the Transportation Costs and Impact of the Low Carbon Fuel Standard

The Honorable Robert Rivas, Speaker of the Assembly

Laura Shybut, Principal Consultant, Assembly Utilities and Energy Committee

Lauren Sanchez, Senior Advisor for Climate, Office of Governor Gavin Newsom

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