

March 20, 2017

The Honorable Mary Nichols, Chair
California Air Resources Board
1001 I Street
Sacramento, CA 95814

RE: Comments of the Renewable Fuels Association (RFA) regarding Midterm Review of the Advanced Clean Cars (ACC) Program

Dear Chair Nichols,

The Renewable Fuels Association (RFA) appreciates the opportunity to provide comments regarding the California Air Resources Board's (ARB) Midterm Review of the Advanced Clean Cars (ACC) program. Our comments focus specifically on the low-emissions vehicle III (LEV III) greenhouse gas (GHG) standards for 2022 and later model years under the ACC program.

In 2016, ARB staff collaborated with the U.S. Environmental Protection Agency (U.S. EPA) and the National Highway Traffic Safety Administration (NHTSA) to review the federal light-duty GHG standards for 2022 through 2025 model years. This review included the preparation of a detailed Draft Technical Assessment Report (TAR), which re-assessed and updated the technical assumptions and analysis initially used in 2012 to develop the 2017-2025 GHG standards.

In comments submitted to U.S. EPA and NHTSA in response to the TAR, RFA and many other stakeholders observed that the TAR generally lacked analysis and discussion of the impact of fuel properties on fuel economy and GHG emissions.¹ While the TAR examined current and emerging advanced engine technologies, it largely omitted discussion of the fuel properties that would enable those technologies to generate optimal fuel economy and GHG emission results. In essence, we believe the TAR failed to treat engines and fuels as integrated systems, even though fuel properties can have significant effects on fuel economy and GHG emissions. As an example, automakers have noted the importance of a fuel's octane rating in enabling improved efficiency and reduced emissions. According to General Motors, "Higher octane is necessary for better engine efficiency. It is a proven low-cost enabler to lower CO₂; 100 RON [Research Octane Number] fuel is the right fuel for the 2020-2025 timeframe."²

After reviewing public comments on the Draft TAR, U.S. EPA in November 2016 published its Proposed Determination finding that the 2022-2025 federal standards should remain in place as adopted. Unfortunately, the Proposed Determination did not respond to stakeholder comments regarding the importance of evaluating the role of fuel properties in achieving fuel economy and GHG emission standards. RFA again filed comments requesting that U.S. EPA's Final Determination include analysis and discussion of the fuels and fuel properties necessary to achieve the 2022-2025 standards. However, U.S. EPA quickly concluded its midterm evaluation and published a Final Determination in January 2017, affirming that the existing federal GHG standards would remain in place as adopted. In parallel to the outcome of the federal process, ARB staff recommended that the light-duty vehicle GHG standards under the ACC program be maintained in their present form, and that California continue to participate in the national program through the "deemed to comply" provision.

¹ RFA's comments in response to the Draft TAR are available at http://ethanolrfa.org/wp-content/uploads/2016/09/RFA_TAR-comments.pdf

² Truett, Richard. Automotive News. April 13, 2016. *Powertrain executives press for higher octane gasoline to help meet mpg, CO₂ rules.*

As you know, however, U.S. EPA and NHTSA on March 13, 2017, issued a Notice of Intention to Reconsider the Final Determination of the Mid-Term Evaluation of Greenhouse Gas Emissions Standards for Model Year 2022-2025 Light Duty Vehicles.³ Pursuant to the Notice, U.S. EPA and NHTSA will revisit the analysis and assumptions (e.g., the Draft TAR) underlying the federal midterm evaluation process and decide whether adjustments to the Final Determination are necessary.

As ARB has acknowledged, the ACC program's LEV III GHG standards are intended to "closely mirror the national program."⁴ ARB has also stated that if federal GHG standards are revisited, "...California could revisit whether it would have to conduct a new analysis to determine whether compliance with a new National Program would be an appropriate approach under California's LEV III program..."⁵ Thus, in the interest of fostering "One National Program" as desired by the automakers⁶, we respectfully encourage ARB to engage in the federal process and carefully consider how U.S. EPA and NHTSA's re-visitation of 2022-2025 GHG standards may impact the ability of automakers to achieve the California ACC program's GHG standards.

As part of the process to re-evaluate the federal standards and their potential impacts on California's ACC program, we encourage ARB, U.S. EPA, and NHTSA to evaluate current and emerging engines *and fuels* as integrated systems. We believe any further analysis supporting the re-opened federal midterm evaluation process should give consideration to the wide range of fuel properties—such as octane rating—that can best enable near term, low-cost advances in fuel economy and GHG emissions reduction. We further encourage the agencies to consider what additional regulatory actions may be necessary to ease commercialization of low-carbon fuels and blends that would help achieve the near- and mid-term objectives of both the ACC program and California's Low Carbon Fuel Standard (LCFS).⁷

Thank you again for the opportunity to comment. We look forward to working with ARB to ensure these important policies and programs are implemented successfully.

Sincerely,



Bob Dinneen
President & CEO

³ Pre-publication version of Notice available at <https://www.epa.gov/sites/production/files/2017-03/documents/cafe-joint-notice-dot-epa-2017-03-13.pdf>

⁴ <https://www.arb.ca.gov/msprog/acc/acc-mtr.htm>

⁵ California Air Resources Board. *California's Advanced Clean Cars Midterm Review: Summary Report for the Technical Analysis of the Light Duty Vehicle Standards*. January 18, 2017. At pg. 5.

⁶ <https://autoalliance.org/energy-environment/one-national-program/>

⁷ For example, modifications to ARB's "California Predictive Model" are likely necessary to enable commercial introduction of certain high-octane, low-carbon fuel blends.