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GrowthEnergy.org

November 1, 2023

Stephanie Potts
Washington Department of Ecology
P. O. Box 47600
Olympia, WA 98504
Via online submission

RE: Comments on Proposed Cap-and-Invest Linkage and Biofuels

Dear Ms. Potts:

Thank you for the opportunity to comment on the Department's discussions to link the state's Cap-and-Invest program with those programs in existence in California and Quebec. Growth Energy is the world's largest association of biofuel producers, representing 96 U.S. plants that each year produce 9 billion gallons of renewable fuel; 114 businesses associated with the production process; and tens of thousands of biofuel supporters around the country. Together, we are working to bring better and more affordable choices at the fuel pump to consumers, 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.

We appreciate the Department's effort to reduce Washington's greenhouse gas (GHG) emissions. Our industry represents the largest volume of accessible, low-carbon biofuels meant to achieve the objectives of the Department and the State of Washington.

As we have outlined in previous comments on both the Cap-and-Invest program and the program's potential linkage with other carbon markets, we continue to be concerned about the restrictive definition of the exemption for biofuels and its impact on bioethanol. Specifically, while the program does contain an exemption for biofuels, it is limited to only those "fuels derived from biomass that have at least 40 percent lower GHG emissions based on a full life-cycle analysis when compared to petroleum fuels for which biofuels are capable as serving as a substitute."

We appreciate the Department's discussion in the final rulemaking that "Ecology's working assumption is that all biofuels meet the 40 percent standard for past and near future years unless that verification process clearly indicates otherwise." However, we continue to believe this definition does not provide enough clarity and may be too restrictive, and ultimately could prohibit

the use of sizeable volumes of lower-carbon bioethanol that could generate substantial GHG emission reductions for Washington and lower the state's dependence on fossil fuels.

This issue is particularly important as the Department seeks to link the program with those in Quebec and California where biofuels are already clearly exempt, and where they have shown to be leaders in GHG reductions in California's low carbon fuel standard (LCFS). Bioethanol and other exempt biofuels such as renewable diesel and biodiesel are cumulatively responsible for 74% of California's reductions since the implementation of their LCFS¹

Today's bioethanol represents a nearly 50 percent reduction in GHG emissions compared to gasoline. And as readily available technologies such as carbon sequestration and climate-smart agriculture practices are adopted, ethanol can continue to improve toward net zero. For instance, by using the latest science on indirect land use change value (ILUC) rather than outdated and flawed data, the impact of ILUC on ethanol's carbon intensity is closer to 4 gCO₂e/MJ.² This is a nearly 80% reduction from out-of-date models being used.

Related, we also believe that recent concerns about biofuel production on food cost and supply are unfounded. Our industry produces both food and fuel. Specifically, production of bioethanol results in a wide variety of co-products, perhaps the most significant of which is high-quality animal feed that contributes directly to the production of chicken, beef, pork, and other nutritious food. Specifically, one bushel of corn produces 2.8 gallons of bioethanol as well as 17-18 pounds of distillers dried grains (DDGS), a highly nutritious animal feed. Our industry produces nearly 40 million tons of animal feed per year. That feed is supplied to food producers here in the U.S. and around the world. Additionally, the renewable CO₂ from bioethanol production is also critical for meat processing, beverage carbonation, and water treatment.

Data from the United Nation's Food and Agriculture Organization (FAO) as well as from the U.S. Energy Administration (EIA) also show in the graph below that the price of food is closely correlated with the cost of crude oil rather than the cost of corn.

¹ https://www.transportationenergy.org/wp-content/uploads/2023/07/Decarbonizing-Combustion-Vehicles_FINAL.pdf

² <https://iopscience.iop.org/article/10.1088/1748-9326/abde08/pdf>

The real culprit of higher food prices is higher crude oil prices & inflation

Crude oil prices are set on an international level and strongly impact the prices of other goods. As the price of oil rises or falls, the price of food follows closely.

Higher consumer prices and inflation are being driven by a post-COVID surge of demand for everything from [cars to housing](#), but economists agree that grocery prices are [driven by factors](#) like packaging, transportation, processing, and marketing — not the value of farm commodities.

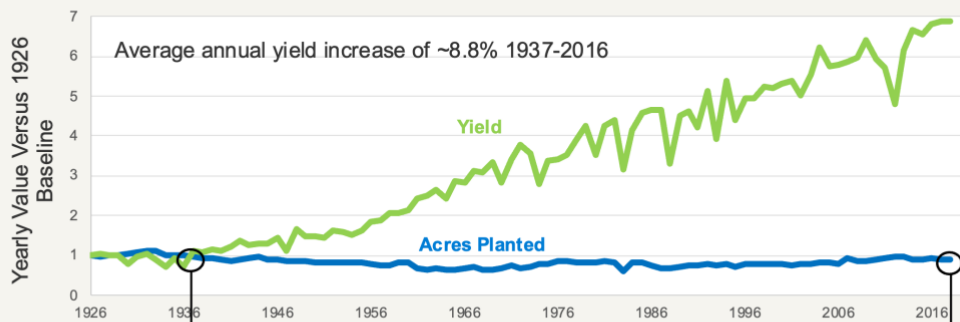


SOURCE – EIA, FAO/UN

Additionally, as discussed previously relative to land use, farming practices like crop intensification and cover cropping have significantly improved the yield of all crops, further negating the impact of biofuel production on food crops. As the United States Department of Agriculture (USDA) and numerous others have noted, yields have (and continue to) climbed more than 700 percent while acreage has remained unchanged for the last century.

Through innovative, sustainable ag practices, we're producing more using less land

Yields have increased by 700%, while acres remained steady



By the late 1930s, harvested corn yield was no longer directly linked to corn planted.

Acres of total corn planted has generally plateaued, even into the late 2010s.

Source: USDA Crop Production Historical Track Records, 2019. (NASS data)

We strongly urge the Department to clarify its definition for its biofuel exemption to maximize the use of bioethanol to reduce greenhouse gas emissions.

We would be happy to further discuss the role of higher bioethanol blends in further GHG reductions.

Thank you for the opportunity to comment and in advance for your consideration.

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