



March 6, 2026

Rajinder Sahota, Deputy Executive Officer
California Air Resources Board
1101 I St.
Sacramento, CA 95814

RE: Highly Innovative Fuels on the Proposed Amendments to the Cap and Invest Program

Dear Ms. Sahota,

Highly Innovative Fuels (HIF) thanks you for the opportunity to comment on the proposed amendments to the California Cap-and-Invest Regulation.

HIF Global is a world leading advanced fuels company developing large scale infrastructure projects to recycle captured CO₂ and produce synthetic fuels for existing engines. The name HIF reflects the company's mission: to produce Highly Innovative Fuels that contribute to decarbonization and global energy security. HIF already produces e-Fuels at its HIF Haru Oni facility in southern Chile and is developing large scale projects in the United States, Uruguay, Brazil, Australia, and Chile.

We appreciate CARB's continued work to maintain the environmental integrity of the program while ensuring clarity and consistency across California's climate policies.

We write to offer two targeted clarifications concerning compliance obligations for biomass-derived fuels. These comments are narrow in scope but important to avoid unintended consequences for sustainable aviation fuel (SAF) markets and related emissions accounting frameworks.

Clarifying Language on the Compliance Obligation for Biomass-Derived Fuels

To ensure that this provision is appropriately scoped to regulatory compliance claims, we respectfully recommend a minor textual clarification to the final clause of the sentence in **§ 95852.1**.

Compliance Obligations for Biomass-Derived Fuels.

We recommend revising the language as follows (proposed insertion bold underlined for emphasis here):

*...An entity claiming use of an exempt biomass-derived fuel must have sole ownership or contract rights to the biomass-derived fuel and any associated emissions exemption or emissions reductions attributed to the use of the fuel such that no other entity may claim an emissions exemption to reduce a compliance obligation or otherwise claim a reduction in **regulatory** emissions associated with the use of the biomass-derived fuel.*

The addition of the word "**regulatory**" clarifies that the restriction applies to reductions claimed within regulatory compliance frameworks, rather than extending to voluntary market greenhouse gas reduction and accounting or international aviation programs, such as the Carbon Offsetting and Reduction Scheme for International Aviation (CORSIA). This narrow clarification preserves CARB's intent to prevent double counting of compliance obligations under the Cap-and-Invest Program while avoiding unintended interference with separate emissions reporting systems.

Care should be taken to utilize the term "regulatory" emissions, as other compliance programs that are not regulatory (like CORSIA) could otherwise be implicated in the future.

March 6, 2026

Adding Sustainable Aviation Fuel to List of Exempt Biomass-Derived Fuels

Second, we request clarifying language regarding the definition of exempt biomass-derived fuels as it relates to sustainable aviation fuel. The current regulatory text does not explicitly reference Sustainable Aviation Fuel or Alternative Jet Fuel. The definition that could potentially apply to SAF — “(§ 95852.2. *Emissions Without a Compliance Obligation. (a)(9) The biogenic fraction of a fuel that is a co-product of the production of an exempt biomass-derived liquid hydrocarbon fuel*)” — appears to limit eligibility to circumstances in which SAF is produced as a co-product, such as alongside renewable diesel at the same facility.

While this configuration was historically common, the aviation fuel market is evolving rapidly. Many facilities are now being designed or converted to produce SAF exclusively, without co-producing renewable diesel. Under the current wording, such facilities may not qualify as producing an exempt biomass-derived fuel. This outcome would create a structural distinction based solely on facility configuration rather than the fuel produced.

We respectfully request that CARB clarify that Sustainable Aviation Fuel qualifies as an exempt biomass-derived fuel irrespective of whether it is produced as a co-product by explicit recognition of SAF in the exempt produced fuels list.

Conclusion

These requested changes are technical and limited in scope. They do not alter the underlying compliance obligation structure, nor do they weaken program standards and safeguards. Rather, they ensure that the regulation functions as intended in a market environment that is evolving toward dedicated SAF production and increasingly integrated voluntary and international emissions accounting systems.

We appreciate CARB’s consideration of these comments and its continued leadership in developing durable, high-integrity climate policy.

Sincerely,

James Outtrim

HIF