

Pearson Fuels (Jeff Wilkerson)

See attached file.



September 14, 2026

Chair Lauren Sanchez
California Air Resources Board
1001 I Street
Sacramento, CA 95814

Comment Submitted Electronically

RE: Pearson Fuels Comments on Proposed Amendments to the California Reformulated Gasoline Regulations

Dear Chair Sanchez and Members of the Governing Board:

RTC Fuels, LLC, dba Pearson Fuels, appreciates the opportunity to provide comments on CARB's Proposed Amendments to the California Reformulated Gasoline Regulations (Proposed Amendments). Pearson Fuels is the largest distributor of E85 in California with a network of over 500 retail E85 stations. Pearson Fuels stations are often located in disadvantaged communities where the affordability of E85 – typically priced \$1.50-\$2.50 per gallon cheaper than gasoline – saves California citizens money while reducing California's dependence on petroleum. Wherever possible, Pearson Fuels maximizes greenhouse gas (GHG) reductions by supplying E85 blended with renewable naphtha, a by-product of renewable diesel or sustainable aviation fuel production. Paired with cellulosic ethanol, this E85 blend is fully renewable and is a low aromatic fuel with the resulting E85 delivering lifecycle GHG reductions approaching 80% compared to CARB unleaded gasoline, as is reflected in the Low Carbon Fuel Standard (LCFS) carbon intensities of these fuels.

Summary

The California Legislature's recent action regarding E15 through AB 30 (Alvarez) and SB 795 (Archuleta) underscores the importance of fuel affordability and emissions reductions for California. E85 is a meaningful tool that state policy has effectively turbocharged to drive substantial GHG emissions reductions, while at the same time delivering more than a billion dollars in price savings to California consumers. We project the recent price gap between E85 and gasoline will help push both consumer savings and E85 usage levels to records in 2026.

CARB's proposed amendments to CaRFG regulations are well-tailored to E15 that is blended at the terminal level, and we support the Proposed Amendments. This comment letter is intended to bring to CARB's attention the importance of developing measures specifically designed to address blending that occurs downstream of the terminal. While some of our recommendations will increase the regulatory burden for Pearson Fuels, based on our extensive experience delivering E85 to the market we think these measures are necessary to provide clear and practical direction to retailers regarding: 1) authorized downstream blending of E15; 2) documentation of proper E85, E15 and E10 tax treatment; and, 3) fuel quality control.

Recommendations

CARB has proposed allowing retailers to blend E85 on site with E10 to produce E15.

E85 in California currently operates in a Test Program, in which fuel suppliers or producers are required to test and report E85 blend specifications and gallons under a Memorandum of Exemption. The CARB Test Program complements other California regulatory measures, such as the LCFS, to support the



expansion of E85 and other alternative fuel use. These clean fuel policies coupled with repeated price spikes in the cost of gasoline resulted in substantial increases in the use of E85 from 2006-2023, with E85 demand remaining level over the last three years despite a rapid recent decline in the manufacturing of flex fuel vehicles (FFVs) that can utilize E85.

The Test Program imposes rigorous requirements on E85 suppliers and fuel retailers in California, including the requirement that E85 suppliers file monthly reports detailing the fuel composition and/or properties (percentage ethanol, vapor pressure and sulfur content), the volume of each load of E85 distributed, and its destination. These Test Program requirements provide CARB with a readily available tool to effectively monitor downstream blending of E85 to ensure that:

1. proportionate quantities of E85 and E10 are used to produce the E15 blend;
2. proper E85, E15 and E10 tax treatment is fully documented; and,
3. fuel quality is strictly monitored.

We are submitting as an Exhibit to this comment our recommended revisions to California Code of Regulations Title 13, § 2266.5 to implement these recommendations to better ensure the transparency, traceability, quantity and quality of all fuels involved in downstream blending.

Counterproductive E85 Policy Measure

Related to the state's E85 policy, we would like to bring to the Governing Board's attention a policy measure currently being selectively imposed to limit the distribution of E85 in California. This policy runs counter to California's climate and affordability policy goals and is limiting the availability of E85 fuel that currently sells for over \$3.00 per gallon less than gasoline in areas of the state, saving California citizens substantial money wherever it is available.

We would note at the outset that we have not yet had the opportunity to fully review the legal basis for this limitation. Specifically, we have been thus far unable to obtain Executive Order G-21-474 that is being cited as the authority for a number of recent executive orders imposing E85 throughput limitations on companies that manufacture vapor recovery systems. Our regulatory attorney first searched CARB's website for Executive Order G-21-474 on July 29, 2026, and was unable to find the Executive Order. He immediately requested help from CARB via helpline@arb.ca.gov and was advised that the appropriate CARB program would provide further assistance. No such assistance was provided. On August 24th, the attorney reached out to the Public Records Act Coordinator who advised that NeedanEO@arb.ca.gov would process the request, but that has still not occurred.

The reason Executive Order G-21-474 is relevant to this issue is because the executive orders that establish the limitations on E85 throughput at fueling stations have not been approved by the Executive Officer. Instead, these orders have been approved by the Chief of the Monitoring and Laboratory Division with orders stating, "Executive Order G-21-474 delegates to the Chief of the Monitoring and Laboratory Division the authority to certify or approve modifications to certified Phase I and Phase II vapor recovery systems for gasoline dispensing facilities (GDF); (...)"¹

Through these executive orders, CARB has limited the throughput of E85 at gasoline dispensing facilities that utilize certain vapor recovery systems to 1.2 million gallons per year, or 100,000 gallons per month.²

¹ See e.g., California Air Resources Board, "Executive Order VR-102-X," available at https://ww2.arb.ca.gov/sites/default/files/2024-10/vr102x_lgl.pdf.

² See e.g., California Air Resources Board, "Executive Order VR-101-X," available at https://ww2.arb.ca.gov/sites/default/files/2024-09/vr101x_lgl.pdf



Pearson Fuels is not aware of the technical or scientific basis for these limitations. The practical effect of the executive orders is to limit the use of E85 and thereby force consumers to utilize more fossil-based gasoline even if they would like to purchase a less costly, cleaner-burning, lesser GHG-emitting fuel.

CARB's Executive Officer should immediately review and rescind these Executive Orders limiting E85 throughput. In addition to saving consumers money, E85 is a less carbon intensive, non-petroleum gasoline substitute California should leverage to achieve its climate and clean air goals.

This issue is directly related to the Proposed Amendments in that these executive orders imposing throughput limitations also constrain E15 blending, as E85 limitations will trigger more quickly to the extent that a facility utilizes E85 to blend E15.

We look forward to working with the agency on these important issues and are available to discuss further the issues raised in this comment letter.

Sincerely,

A handwritten signature in black ink, appearing to read "Jeff Wilkerson", is written over a horizontal line.

Jeff Wilkerson

Government Policy and Regulatory Affairs Manager

Pearson Fuels

Draft version of Recommended Revision to §2266.5:

§ 2266.5. Requirements Pertaining to California Reformulated Gasoline Blendstock for Oxygen Blending (CARBOB) and Downstream Blending.

- (a) Application of the California gasoline standards to CARBOB.
(...)
- (b) Notification to CARB regarding the supply of CARBOB from the facility at which it was produced or imported.
(...)
- (c) Documentation required when CARBOB is transferred.
(...)
- (d) Restrictions on transferring CARBOB.
- (e) Restrictions on blending CARBOB with other materials.
(...)
- (f) Requirements for oxygenate blenders.
(...)
- (g) Downstream blending of California gasoline with nonoxygenate blendstocks.
 - (1) Basic prohibition. No person may combine California gasoline which has been supplied from a production or import facility with any nonoxygenate blendstock, other than vapor recovery condensate, unless the person can affirmatively demonstrate that (1) the blendstock that is added to the California gasoline meets all of the California gasoline standards without regard to the properties of the gasoline to which the blendstock is added, and (2) the person meets with regard to the blendstock all requirements in this subarticle applicable to producers of California gasoline.
 - (2) Exceptions.
 - (A) Protocols. Notwithstanding section (g)(1), the executive officer may enter into a written protocol with any person to identify conditions under which the person may lawfully blend transmix into California gasoline which has been supplied from its production or import facility. The executive officer may only enter into such a protocol if he or she reasonably determines that alternatives to the blending are not practical and the blending will not significantly affect the properties of the California gasoline into which the transmix is added. Any such protocol shall include the person's agreement to be bound by the terms of the protocol.
 - (B) Blending to meet a cap limit. Notwithstanding section (g)(1), a person may add nonoxygenate or oxygenated blendstock to California gasoline that does not comply with one or more of the applicable cap limits contained in section 2262, where the person obtains the prior approval of the executive officer based on a demonstration that adding the blendstock is a reasonable means of bringing the gasoline into compliance with the cap limits.

(C) Blending with E85. Notwithstanding section (g)(1), a person may blend E85 with E10 to produce a final blend of E15 subject to the following requirements:

1. The E85 shall be fuel ethanol meeting the specifications in California Code of Regulations, title 13, section 2292.4;

2. The E10 shall be CaRFG Phase 3 gasoline with up to 10.0 percent ethanol by volume that meets all CaRFG Phase 3 gasoline specifications with the oxygen percent by weight limit applicable for CaRFG Phase 3 gasoline with up to 10.0 percent ethanol by volume ethanol.

3. The person blending the E85 with E10 shall document the blending in the form of a blending certification attestation that states E15 monthly blending totals, the quantity of E85 and E10 contained in the monthly blend total, and the fuel retailer's signed copy of the E85 Test Program Memorandum of Exemption.

(h) Restrictions during the RVP season on blending gasoline containing ethanol with California gasoline not containing ethanol.

(...)