

Form Letter 1 for Comment 96 for Proposed Low Carbon Fuel Standard Amendments (lcfs2024) - 15-1.

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Affiliation: Green Plains Inc.

Subject: LCFS Amendment Comments

Comment:

Dear Board Members;

Green Plains Inc. (NASDAQ:GPPE) is a leading biorefining company focused on the development and utilization of fermentation, agricultural and biological technologies in the processing of annually renewable crops into sustainable value-added ingredients. This includes the production of cleaner low-carbon biofuels and renewable feedstocks for advanced biofuels. Green Plains is an innovative producer of Ultra-High Protein and novel ingredients for animal and aquaculture diets to help satisfy a growing global appetite for sustainable protein.

In general, Green Plains supports the LCFS program and these proposed amendments, with some notable exceptions. We support CARB's increase in the stringency of the program to reduce emissions and decarbonize the transportation fuel sector. Reduced credit values in recent years due to over-compliance with the program have to some extent slowed investments in renewable fuel production and research into new fuels. Greater certainty around credit values being supported would encourage investment from companies like ours, and improve access to and terms for credit to execute on these investments. We support both the near-term step-down in the CI benchmark in 2025, as well as the Automatic Accelerator Mechanism (AAM) as a means to drive continued innovation and development in the biofuels sector, and urge CARB to consider even more aggressive reductions, which we believe are achievable.

We oppose capping vegetable oil feedstocks for biodiesel and renewable diesel production, and strongly oppose including inedible distillers corn oil with other virgin vegetable oils. The renewable corn oil we produce is a low carbon intensity feedstock that is not fit for human consumption without further refining, and should not be included in any consideration of limiting these feedstocks. The recent surge in the importation of so-called "Used Cooking Oil" from China and elsewhere would likely be exacerbated if sustainable, traceable domestic feedstocks are limited, and there are questions around the authenticity of the "UCO," which some have alleged could include some quantities of virgin palm oil.

We oppose the continued exemption for intrastate fossil jet fuel, and urge CARB to reconsider the original proposal to eliminate this exemption. Airlines need to decarbonize and we are helping them to transition to new clean fuel alternatives. Today, our inedible distillers corn oil is a low-CI feedstock for producing SAF and

renewable diesel, and when carbon capture and sequestration of our biogenic carbon dioxide is deployed beginning in 2025, our decarbonized ethanol will be a scalable feedstock for airlines to utilize.

We applaud CARB rejecting an arbitrary cap on crop-based fuels. Regarding suggested changes to sustainability certification for crop-based fuels, we ask the board to carefully consider the reporting burdens and costs that could result from a new verification scheme. In general, we do not agree with the premise that U.S. crops displace grasslands, forests and wetlands, but recognize concerns of stakeholders and the desire for greater certainty.

The crops we process into low carbon biofuels and feedstocks for advanced biofuels, primarily corn, is all grown on cropland that was not converted from wetlands, forests or grasslands in accordance with federal Renewable Fuels Standard requirements. Productivity of corn in particular on a bushel per acre basis has increased dramatically, so fewer acres of cropland are required each year to generate the same or greater volumes of production. Additionally, efficiency of crops has greatly improved, so necessary inputs of fertilizer and water on a per bushel basis continue to decline, benefitting soil health, water quality, and ultimately reducing the carbon-intensity of the feedstock and by extension the finished biofuels. Likewise, advances in agronomic practices and enhanced understanding of plant and soil ecosystems have expanded the adoption of climate smart agricultural practices such as conservation tillage and cover crops, ultimately keeping more carbon in the soil and reducing the carbon-intensity of the feedstock and finished biofuels.

That being said, we are not opposed to pathway holders being required to track our crop-based feedstocks to their point of origin, and have independent certification of same, so long as the tracking requirements are not too onerous or costly. As noted above, all of the corn we process into ethanol and inedible distillers corn oil has had to comply with prior converted cropland requirements under the federal Renewable Fuels Standard. Likewise, we urge CARB to review and revise the quantification methods for crop-based biofuels to better reflect yield, cultivation and land use practices of crops used to produce fuels that accurately accounts for advances already made and recognizes the potential climate benefits of field-based agronomic practices.

We appreciate CARB's consideration of these comments, and commend you for your ongoing commitment to strengthening the LCFS.

Regards,

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o/b/o Green Plains Inc.

Attachment: <https://ww2.arb.ca.gov/sites/default/files/BARCU/barcu-attach/7425-lcfs2024-UzAHYF0uWGkLUIQ3.pdf>

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