<u>Prepared Comments: Joint Meeting of the California Air Resources Board</u> and the Assembly Bill 32 Environmental Justice Advisory Committee

Good afternoon, John Wenger here providing comments on behalf of the National Oilseed Processors Association or NOPA.

NOPA represents the U.S. soybean, canola, and other oilseed crushing industries.

Products from these companies include meal and oil used in human food, animal feed, fuel and industrial application.

It is important to note that only 20% of the soybean is oil: the vast majority of the soybean is meal used as a high-quality protein in animal diets. This expanded crush for oil to meet biofuel demand creates increased availability for meal, driving down the price of animal protein products.

Unequivocally, the U.S. soybean and oilseed crush industries are uniquely positioned to solve two existential challenges: food security and renewable energy.

NOPA industry has committed over \$6 billion to increase soybean crush capacity by almost 30% by 2026, so we can produce the meal and vegetable oil needed to meet the expected increased demand for food, feed, AND biofuels.

NOPA members have significant concerns around the artificial cap on vegetable oil feedstocks, which, according to CARB's own analysis, will lead to more combustion of fossil diesel fuel, higher prices at the pump, and poorer air quality.

We understand there will eventually be a phase out of combustion in the transportation sector, but the notion that this will happen anytime soon is not grounded in science or reality.

Artificially restricting biofuels during our energy transition is not going to speed up EV deployment, rather it is simply going to require burning more fossil fuels.

It is disappointing that the environmental justice community supports a restriction on biofuels which will negatively impact air quality and ultimately harm disadvantaged communities.

CARB should follow its own modeling and conclusions presented at its April workshop which clearly demonstrate that an artificial cap on vegetable oil feedstocks is unwarranted and will increase fossil diesel fuel use.

CARB's proposal would also favor feedstocks produced in regions with significantly higher risk of fraud or deforestation while disadvantaging local regions with low risk of deforestation that are already subject to multiple compliance programs.

We also believe CARB should reassess and update its Land Use Change model with the latest science for all feedstock/fuel pathways. This adjustment would not only ensure that CARB's regulations remain grounded in the latest science but would also promote fairness and consistency within the industry

This new cap on biofuels is extremely abrupt and cannot be fully vetted through a 15-day change proposal. We would urge CARB to take additional time in fully evaluating the biofuels market before imposing such a draconian change to the program.

Finally, we would note that planting decisions for crops to be harvested in late 2025 are happening now and will be made prior to CARB's proposal being finalized which means the timeline to begin implementing CARBs proposed sustainability certification criteria by 2026 is simply not possible based on how the agriculture supply chain and crop harvest cycle works. Ample time to implement and comply beyond 2027 is essential for this to be workable.

In closing, if implemented as written the 15-day change proposal will mean less CO2 reductions at a higher cost to the program, which we should all agree is not the goal. NOPA stands ready to work with CARB to find a workable path forward but reiterates its concerns on key elements of the proposal.