



MONTANA RENEWABLES™

Montana Renewables, LLC
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February 1, 2023

To: Clean Fuels Program Staff

Re: Temporary Fuel Pathway Application

On behalf of Montana Renewables, LLC (Company ID: 1876), we hereby request pursuant to OAR 340-253-0450(11) that the Department of Environmental Quality (DEQ) approve temporary fuel pathway codes for Renewable Naphtha.

Naphtha (RN) is a common by-product of the production of distillates through refinery processes such as hydrotreating and fluid catalytic cracking. Renewable Naphtha results when biomass or other organic waste material is used as feedstock. While the primary products of such distillation processes are Renewable Diesel and Alternative Jet Fuel, the Renewable Naphtha can be used as a blendstock component in producing gasoline. Given its use in producing a lower-carbon transportation fuel, producers routinely register fuel pathways for all three products: Renewable Diesel, Alternative Jet Fuel and Renewable Naphtha. To facilitate the introduction of such fuel products from new producers into the Oregon market, the DEQ has approved temporary fuel pathways under the state's Clean Fuels Program (CFP) for Renewable Diesel and Alternative Jet Fuel. However, Renewable Naphtha lacks such temporary pathways.

The carbon intensity of Renewable Naphtha for various feedstocks is well-established. The California Air Resources Board (CARB) approved in 2019 – and later amended in 2021 – three temporary pathways under the state's Low Carbon Fuel Standard (LCFS) Program for Renewable Naphtha:¹

CARB's Existing Temporary Pathways for Renewable Naphtha

Fuel	Feedstock	Process Energy	CI (GCO₂e/MJ)
Renewable Naphtha	Fats/Oils/Grease Residues	Grid electricity, natural gas, and/or renewables	45.00
	Any feedstock derived from plant oils (excluding palm oil and palm derivatives, as a sole feedstock or blended with other feedstocks)	Grid electricity, natural gas, and/or renewables	65.00
	Any other feedstock	Grid electricity, natural gas, and/or renewables	Baseline CI Value for ULSD

We note that above-referenced pathways conditions and the CI scores assigned are the same as for the temporary pathways approved by CARB for Renewable Diesel. We request that Oregon DEQ follow this same approach in approving temporary pathways for Renewable Naphtha under the CFP program, by adopting the following:

Proposed New CFP Pathways for Renewable Naphtha

Fuel	Feedstock	Process Energy	CI (GCO₂e/MJ)
Renewable Naphtha	Animal fats, corn oil or a waste stream	Grid electricity, natural gas, and/or renewables	45.00
	Plant oils (except for palm-derived feedstocks)	Grid electricity, natural gas, and/or renewables	65.00
	Any other feedstock	Any	Baseline CI Value for ULSD

¹ More information on CARB's approved temporary Renewable Naphtha pathways can be found here:
https://ww2.arb.ca.gov/sites/default/files/classic/fuels/lcfs/fuelpathways/comments/newtemp_rnapthta21.pdf



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Approving temporary pathways for Renewable Naphtha is in the public interest because it will facilitate the introduction of lower carbon gasoline blendstocks into the Oregon transportation fuel market. It will also remove a disparity from California's LCFS program and provide opportunities to Renewable Naphtha producers on an even footing in each state.

We appreciate your attention to this matter. Please do not hesitate to contact me with any questions.

Ronald F. Colwell, Vice President Operations

February 1, 2023