

Holly R. Anderson

Clerk of the Commission

112 State Street Montpelier, VT 05620-2701

No. 23-2220 Rule: Proceeding to design the potential Clean Heat Standard Case Comments on Early Action Credits.

Sprague Energy is submitting the following in response to the Vermont Public Utility Commission's (PUC) request for comments on early action credits. As a wholesaler and distributor of petroleum products, natural gas, and renewable fuels used in Vermont, we are submitting comments specifically regarding the accounting and scoring for early action credits of renewable fuels in heating oil.

Verifying early action credits utilizing renewable fuels

The tracking and verification of renewable fuel content in heating oil to determine emissions reduction is possible to achieve. Under the federal Renewable Fuels Standard, the amount of renewable fuels contained in the blend with petroleum must be disclosed over 5%. This regulation is listed as per part 80.1451 in the federal register pertaining to the Renewable Fuel Standard. This means that the bills of lading (BOL) that resellers are obtaining at loading from the wholesaler will disclose the percentage of renewable fuels over 5% contained in the product. This will allow the Vermont retail obligated parties an easy to calculate formula. Fuel dealers can report the number of gallons of fuel sold * the percentage of renewable fuels as proven by the bills of lading. Credits can then be issued based on the final emission scoring calculation for the renewable fuels as determined by the state. Utilization of the BOL will provide a clear audit trail for the state. In addition, the terminals from which Vermont resellers are lifting (both in and out of state) can provide specifications sheets if needed for further verification of what the BOL states. This provides another level of assurance for adequate tracking of renewable fuel percentages utilized to achieve early action credits.

Scoring of Renewable fuels

We understand that the scoring of emissions for liquid renewable fuels is currently a work in progress in Vermont. We have seen several stakeholders in Vermont raise objections to the inclusion of liquid renewable fuels to qualify for credits, but it is unclear as to what the basis is for such objections and why liquid renewable fuels should not qualify for credits? The scientific review of emission reductions achieved through biofuels has been studied and verified by The United States Environmental Protection Agency, Argonne National Lab (GREET model), California Air Resource Board, and Canadian Clean fuel regulations. In addition, the Global Warming Solution Act (Act 153 as passed by the General assembly in Vermont) cites the findings of the

U.N Intergovernmental Panel on Climate Change (IPCC) as one main drivers for the law's creation. The IPCC scoring on emissions reduction from biodiesel and renewable diesel is clear. However, we have seen stakeholders in Vermont and in the Vermont State Senate who dispute the emission scoring of the very agency cited in the act that the regulatory power is derived from. If Vermont possesses scientific data which demonstrates that the above-mentioned organization's years of emissions calculations are incorrect, we would request that this be released immediately for public review.

Since 2007 Sprague has been one of the leading distributors of Renewable fuels in the Northeast. We continue to invest and grow our product offering to include Biodiesel and Renewable Diesel throughout all of our Northeast Distribution points. We look forward to working with the State of Vermont on the Clean Heat program.

Best Regards,

Kevin Grant

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