



February 10, 2014

California Energy Commission
1516 Ninth Street
Sacramento, CA 95814-5512

Re: Docket No. 13-ALT-02 - **2014-2015 Investment Plan Update for the Alternative and Renewable Fuel and Vehicle Technology Program REVISED STAFF DRAFT.**

California Biodiesel Alliance Comments

Dear Commissioners, Staff and Members of the ARFVTP Advisory Committee,

I am writing to you on behalf of the California Biodiesel Alliance (CBA), a not-for-profit trade association promoting the increased use and production of high quality, renewable biodiesel fuel in California. CBA membership includes California producers, feedstock providers, marketers and other biodiesel stakeholders.

As you are aware, the CBA has been engaged on a number of issues surrounding the 2014-2015 Investment Plan and the revised draft. We remain concerned that the staff draft does not contain appropriately robust and objective metrics for evaluating budget allocations, and, as a result, the biodiesel allocation remains significantly under-funded. The need to establish appropriate metrics has been discussed at previous Advisory Committee meetings and we were under the belief that metrics would be forthcoming and duly applied.

We continue to request that actual and real metrics be used to evaluate investment priorities in the 2014-2015 Investment Plan. We believe the direction given in AB109, [to] *"provide analytical rationale for all proposed expenditures"* is clear and unambiguous.

CBA presented in our biodiesel industry white paper at the Advisory Committee meeting on September 19, 2012 and again at the meeting on December 4, 2012, that based on the Energy Commission's own calculations from the 2011 IEPR Benefits Section, biodiesel use in California provides 34.7% of program results – more than all other modalities – but does not receive commensurate funding. In comparison, a cost benefit analysis of the numbers from that same section of the 2011 IEPR shows that other programs were 9 to 20 times more expensive as biodiesel in achieving the same goals.

CBA would like to once again point out that biodiesel is the lowest cost, commercially available low and ultra-low carbon fuel on the market today.

As we outlined in our 2012 and 2013 revised white papers and at the biofuels workshop on January 10, 2013, CBA recommended that each biofuel have its own 'silo' (or category) and not be grouped together – and we were happy to see in the most recent biofuels production PON 13-there was a delineation of different categories, however we continue to advocate that there should be separate PONs for each of these biofuels categories.



We recommend that in-state biodiesel production, feedstock and distribution infrastructure development projects receive \$24 million in each of the next two funding cycles. This increase would start to bring funding for biodiesel more towards parity with its contribution towards the ARFTVP program goals of petroleum displacement, carbon reduction, air quality improvement and job creation.

We appreciate the improved dialogue and relationship that has developed between CBA and CEC. CBA looks forward to continuing to work with staff to further develop meaningful metrics which will guide and direct funding unambiguously within the final version of this Investment Plan.

Respectfully submitted,

A handwritten signature in dark ink, appearing to read "Joe Gershen", followed by a long horizontal flourish.

Joe Gershen