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Additional submitted attachment is included below.



2159 India Street, Suite 200
San Diego, CA 92101
(619) 255-9361

November 15, 2017

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Project Title: 2018-2019 Investment Plan Update for the Alternative and Renewable Fuel and Vehicle Technology Program

Comments on Dimethyl Ether (DME)

We first would like to acknowledge the hard work the Energy Commission staff has put into the development of the latest investment plan and the dramatic improvement this represents compared to previous ones. These are our comments on specific sections of the plan.

2018-2019 Investment Plan Update for the Alternative and Renewable Fuel and Vehicle Technology Program

Chapter 3 – Low Carbon Fuel Production & Supply

We believe this is the logical progression of CEC's support for alternative fuels and makes more sense than the previous structure that allocates support only for certain types of fuels. The goal to "expand production of low-carbon, economically competitive fuels from waste-based and renewable feedstocks in California" is right on target. The specific targeting of biomethane is a critical component of California's goal of greenhouse gas reduction by attacking short-lived climate pollutants.

On pages 37-41, we believe the discussion of biomethane could be expanded and made consistent with the just-released 2017 Integrated Energy Policy Report (IEPR), which noted that the larger category of renewable gas should look at biomethane as a feedstock for not just renewable natural gas, but renewable dimethyl ether (DME), which can be used as a diesel substitute fuel.

DME is a cost-effective solution to the challenges of converting biomethane to compressed natural gas for transportation use and creating an interconnection with an existing or new

pipeline. DME, which can be used in virtually any compression ignition engine with little modification, can use local feedstocks, be produced and consumed locally.

In addition, the 2017 IEPR identifies a serious flaw if biomethane is solely directed toward natural gas for transportation use. There is a serious shortfall of natural gas-powered vehicles that could use the fuel. DME, because it can be used by the 90+ percent of heavy-duty vehicles with compression ignition engines, expands the potential market for this alternative fuel, providing greenhouse gas reductions and displacement of petroleum diesel, consistent with the state goals of this program.

The CEC is in the lead among state agencies with the 2017 IEPR and should add a notation of the potential of DME as part of the ARFVT Program.

Chapter 4 – Natural Gas Fueling Infrastructure (page 54)

We believe, in light of the above comments, the CEC might want to revisit its decision to drop funding of infrastructure other than electricity or hydrogen, and potentially use some of this tranche of funding to support renewable fuel infrastructure such as DME. We believe this section could be reframed as Renewable Gas Infrastructure to encourage cost-effective development of local production and distribution of low-carbon, gaseous fuels created from biomethane such as DME.

Respectfully submitted,



Rebecca Boudreaux, Ph.D.
President, Oberon Fuels