New Leaf BIOFUEL

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June 6, 2011

Via US Mail

Mr. Peter Ward
California Energy Commission
Dockets Office, MS-4
Re: Docket No. 10-ALT-1
1516 Ninth Street
Sacramento, CA 95814-5512
Re: 10-ALT-1, 2011-2012 Investment Plan

Dear Mr. Ward,

Thank you for joining New Leaf Biofuel, LLC in our commitment to produce sustainable clean energy technologies. Your invitation for my associate, Lee Harris to comment on the 2011-2012 Alternative and Renewable Fuel and Vehicle Technology Program Investment Plan was greatly appreciated. I wanted to supplement his comments with a written submission to the docket.

The objective is to make it clear that New Leaf Biofuel strongly support allocating the planned $7.5 million for production plants for diesel substitutes. However, in speaking with our potential client base for users of B20 and higher blends, there is a much more looming issue. Their primary concerns have to do with accessibility. Without an infrastructure that does not cost them significantly more time to access, many are hesitant to make any moves beyond the minimum requirements (per contract specifications, etc.) toward a cleaner burning fuel. This sharply hampers our ability to impact the environment. New Leaf would like to go on record as strongly requesting that the $4 million for infrastructure for these fuels, which was cut from the previous draft, be reinstated.

When we started the company, our definition of success went well beyond the balance sheet. Success was also defined as: creating green jobs, reducing our dependence on foreign oil and having a significant environmental impact. At this point in our development, the lack of infrastructure is the biggest deterrent to increasing and accelerating the adoption of biofuels in San Diego County. Our commitment has gone so far as to consider rack blending and offsite storage as our next major investment in our business. But, my partners and I have some acute reservations about making an additional half a million dollar or more investment when we feel that we are clearly losing government support for our efforts to improve the quality of the environment.

While CNG has great infrastructure, many companies considering green fleets are intimidated by the fact that CNG requires substantial purchase or conversion costs, leaving them in a "not now" holding pattern, especially while the economy is still sluggish. By contrast, biodiesel allows even modest sized companies to start doing something right now, without the financial burden and risk, since biodiesel is a "drop-in" solution. The burden of heavy up-front capital expenditure is removed. They can get started right away, without a six to nine month feasibility study or a seven figure line of credit. Federal tax credits have brought the biofuel into a competitive price range of (and in many cases below) their petroleum counterpart. This means that most companies with large fleets can do their part to help the environment right out of the gate. The only persisting Achilles Heel is the lack of infrastructure.

In closing, I would simply like to reiterate our request that the California Energy Commission please reinstate the $4 million for diesel substitutes infrastructure into the funding plan. We would definitely apply for any additional financial assistance, grants, loans or programs that would help us fulfill a mission that is of such vital importance to our state's energy future.

Sincerely,

New Leaf Biofuel, LLC
a California limited liability company

Jennifer Case, Chief Executive Officer