

**DOCKETED**

<b>Docket Number:</b>	20-SPPE-01
<b>Project Title:</b>	Great Oaks South Backup Generating Facility Small Power Plant Exemption
<b>TN #:</b>	233855
<b>Document Title:</b>	Record of Conversation-G Bemis, CEC staff with B Brown, Western States Oil
<b>Description:</b>	Regarding renewable diesel supply
<b>Filer:</b>	Lisa Worrall
<b>Organization:</b>	California Energy Commission
<b>Submitter Role:</b>	Commission Staff
<b>Submission Date:</b>	7/14/2020 10:49:02 AM
<b>Docketed Date:</b>	7/14/2020



*Siting, Transmission  
and Environmental  
Protection Division*

**FILE: N/A**

**PROJECT TITLE: Great Oaks South  
Backup Generating Facility**

**DOCKET: (20-SPPE-01)**

**TECHNICAL AREA(s): Air Quality and Public Health**

**Telephone**

**Email**

**Meeting Location:**

**NAME:** Gerry Bemis, Air Resources  
Supervisor I, CEC

**DATE:** 6/22/2020  
6/24/2020

**TIME:** various

**WITH:** Bob Brown, Western States Oil

**SUBJECT:** Renewable Diesel for Use in Diesel Cycle Stationary Backup Engines

**COMMENTS:**

California Energy Commission (CEC) staff reached out to a bulk fuel supplier to obtain an industry perspective on the local availability of renewable diesel, and availability of state and federal credits. The credits would offset the price difference versus conventional petroleum diesel fuel for the data center backup engines. Mr. Brown told Mr. Bemis the following:

1. Neste is the supplier of their renewable diesel.
2. Their renewable diesel supply is located at their distribution facility at 1790 S Tenth Street, San Jose.
3. Western States Oil would have no problem supplying the initial fuel stock (about 230,000 gallons would be needed for a typical data center under CEC review at this time) or annual restocking. He said that they could easily supply 1 million gallons per year.
4. At the present time, the incremental cost of renewable diesel vs petroleum diesel is approximately \$2.50 to \$3.00 per gallon. Normally, clean air credits are used to offset the cost difference. These clean air credits are available for transportation uses, but not for stationary fuel uses.
5. Transportation renewable fuel users are able to use the:
  - a. "Federal Renewable Fuel Standard Program credit"
  - b. "California's Low-Carbon Fuel Standard credit"

These are approximately equal to the current cost difference. He expressed that it was not likely that stationary diesel engines could make use of these credits.



6. Mr. Brown also stated that Neste may not be willing to use red dye in this fuel, meaning that the fuel would not be considered off-road fuel and may also have to pay \$0.66/gal in road taxes.

<b>CC:</b>	<b>Signed:</b>  S
	<b>Name:</b> Gerry Bemis, Air Resources Supervisor I