

DOCKETED

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*Comment Received From: WIE-Agron Bioenergy, LLC
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Agron - CEC Clean Transportation Program 2021

Additional submitted attachment is included below.



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Commissioner Patty Monahan
California Energy Commission
1516 Ninth Street
Sacramento, CA 95814

May 14, 2021

Re: Docket No. 21-ALT-01 – ***2021-2023 Investment Plan for the Clean Transportation Program***

Commissioner Monahan and Staff,

Thank you for the opportunity to comment on the Clean Transportation Program Investment plan and on your tireless commitment to de-carbonize California's transportation sector. I'm writing to introduce you to my company, WIE-Agron Bioenergy LLC (Agron), and to give you some background about our shared commitment and goals.

Our parent company, Western Iowa Energy (WIE), currently owns and operates a 45 million gallon per year (Mgpy) low carbon biodiesel production facility in Wall Lake, Iowa. Agron was a 15 Mgpy biodiesel production plant in Watsonville California that shut down in 2016 due to poor market conditions and management. WIE purchased the Agron plant (860 W. Beach St.) in November of 2017, along with the neighboring warehouse facility (880 W. Beach St.) in August of 2019, with the intention of evaluating the California biodiesel and renewable diesel (RD) market in order to re-build an appropriate-sized production facility. After a couple of years of analysis, we have determined that we will operate the combined facility in Watsonville as a 100% renewable fuels terminal. This California-based subsidiary, WIE-Agron Bioenergy LLC (Agron), will distribute biodiesel, RD, and a blend of the two fuels, typically R80/B20 (80% RD and 20% biodiesel).

The existing facility has just under 1 million gallons of tank storage, as well as on-site rail spur served by the Roaring Camp Railroads, and 2 truck loading lanes with infrastructure suitable to load single products from rail cars to tanks and from tanks to trucks.

We intend to add increased tank storage capacity, automated blending, loading & distribution equipment, and increased rail capacity sufficient to throughput up to 75 Mgpy of combined RD and biodiesel from the Watsonville Agron facility. Once operational as a storage and distribution terminal the company will evaluate a further investment to build a 50 Mgpy RD plant.

The project is targeting high demand markets in the adjacent agricultural regions of Salinas Valley and Pajaro Valley, as well as the nearby greater San Francisco Bay Area and central San Joaquin Valley regions. We anticipate these 100 percent renewable diesel fuel-substitutes will be consumed in the heavy-duty truck and agricultural equipment sectors.

With an overall average CI of less than 30 gCO₂e/mj this facility will reduce well over 500,000 tons of greenhouse gas emissions (GHG) annually while simultaneously displacing the equivalent amount of petroleum diesel from the California market. The positive impact on disadvantaged communities in Watsonville will be significant, not only as measured by criteria pollution reduction, but also by job creation. We have appreciated strong support from the Watsonville city council and mayor's office and enjoy support from our local state representatives.



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Depending on our investment, and potentially an investment from the CEC's Clean Transportation Program, we believe this project will result in a return on investment of well under \$1 per MT of GHG reduction. We agree with others in our industry that this represents a significant opportunity to quickly and inexpensively de-carbonize more of the heavy-duty diesel sector in the near- and mid-term.

We are very aware of the current Clean Transportation Program solicitation (*GFO-20-608 Ultra-Low-Carbon Fuel: Commercial Scale Production Facilities & Blending Infrastructure*) that earmarks funding for biodiesel storage and distribution infrastructure projects and appreciate the commission's support for our industry. We believe there will be multiple projects similar to ours and encourage you to continue your support for this effort to transition away from petroleum diesel and towards a more sustainable, low-carbon future for California and the rest of the world. We strongly believe that this transition must include ultra-low-carbon fuels like biodiesel.

Thank you in advance for all of your hard work.
We look forward to continuing to have an open dialog with you and commission staff.
Agron appreciates your cooperation and support.

Warm Regards,

Bradley D. Wilson
President
WIE-Agron Bioenergy, LLC