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| <b>Docket Number:</b>   | 15-OIR-02  |
| <b>Project Title:</b>   | Modification of Alternative and Renewable Fuel and Vehicle Technology Program Funding Restrictions |
| <b>TN #:</b>            | 204705-2   |
| <b>Document Title:</b>  | Aemetis Advanced Fuels Keyes, Inc.'s Response to 3103 Regulation Questions                         |
| <b>Description:</b>     | N/A  |
| <b>Filer:</b>           | Patty Paul   |
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### ARFVTP: 3103 Regulation Response Form

1. What are the possible impacts for your project with the credit discount provision and the timeframe for when you expect to generate credits.

**Aemetis Advanced Fuels Keyes, Inc.** owns and operates California's largest low-carbon biofuel production facility. As a supplier of low-carbon fuel ethanol, Aemetis should not be considered an obligated party under the Low Carbon Fuel Standard (LCFS) / AB 32, and therefore not subject to the 3103 regulation. If Aemetis Keyes was subject to the 3103 regulation, the resulting decrease in award value could have a negative impact on our ability to successfully support the objectives of PON 13-609 and AB 118 to increase the availability of low-carbon transportation fuels in the California marketplace.

The CEC approved program budget for the Aemetis PON 13-609 grant award contemplates the full value of the grant being applied to the local development and acquisition of a low-carbon feedstock (grain sorghum). If the 3103 regulation was applied to PON-609, the resulting reduction in funding would immediately put at risk our ability to develop and acquire the 90,000 tons of low-carbon feedstock for fuel production under the California In-State Sorghum Program.

As California presses forward to promote and support the commercial development of additional low-carbon transportation fuels to fulfill the mandate of AB118, applying the 3103 regulation to non-obligated, low-carbon, renewable fuel producers would likely have a detrimental effect on our investment in, and commercial development of, lower-carbon transportation fuels. This would stand in stark contrast to the objectives set forth by AB118, the California Energy Commission, and the California Air Resources Board to significantly increase the availability of lower-carbon transportation fuel from non-corn feedstocks.

2. We would also like to provide you the opportunity to provide a statement for our record.

**Aemetis Advanced Fuels, Inc.** urges the CEC to affirm that the 1303 regulation does not apply to Aemetis for the grant awarded under PON 13-609. In the event the CEC imposes 1303 to non-obligated parties such as Aemetis Advanced Fuels Keyes, we request that the regulation be waived for the award granted (13-609) as it would undoubtedly reduce our ability to meet the stated objectives of the program and future participation in future programs with similar objectives. We believe the regulation is inconsistent with the objectives of AB 118/32 and should also be waived for similar projects in the future.