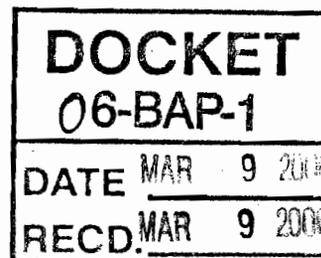




March 9, 2006



TO: The Bioenergy Interagency Task Force
FROM: John Boesel
President and CEO
RE: Comments for March 9, 2006 Workshop

**Advanced Transportation Technologies
Clean Transportation Solutions**

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CALSTART strongly endorse a robust California biofuels program as a way to reduce our dependence on oil, improve air quality, and cut green house gas emissions. An additional significant benefit of a major biofuels initiative for the transportation sector in California will be the creation of jobs and new economic opportunities.

The following are recommendations provided by CALSTART to the Task Force. If you have any questions or wish additional information on any of these topics, please let me know.

Recommendation # 1): 10% renewable fuel standard for gasoline.

- I) The State should adopt a minimum 10% renewable fuel standard for gasoline by 2009.
- II) Governor should direct CARB, in coordination with the CEC, as it reviews its predictive model, to specifically conduct an analysis and determine if the ingredients in reformulated gasoline can be changed such that emissions remain constant when the percentage of ethanol is increased. There should multiple ways to increase ethanol blending without causing increased emissions. Increasing the percentage of ethanol blended will help reduce our dependence on oil, reduce green house gas emissions, and create jobs in the state.
- III) In its program to reduce CO₂ emissions, the Air Resources Board (ARB) only focused on vehicle technologies. It's time that the ARB develop a fuel standard to compliment its existing greenhouse gas control measure. Whenever the ARB has sought to reduce a particular type of emission in the past, it has regulations affecting both the vehicle and the fuel. The renewable standard here would support such an effort by the ARB.

Recommendation #2: Renewable fuel standard for on-road and non-road diesel fuel.

- i) First, by Executive Order and then by legislation, the Governor should adopt a renewable fuel standard for biodiesel. Beginning in 2008, that standard should be 2%. By 2012, 2015, and 2020 respectively, the renewable content should increase to 5, 10, and 15 percent.
- ii) In the absence of a working federal standard, to enable the implementation of a renewable diesel standard, the Governor should direct the CARB, CEC, and other appropriate agencies to develop an interim state standard for biodiesel.



Recommendation #3: Make Full Use of Biogas and Biomethane potential in the state.

- i) The State should explore the potential for a renewable standard for methane. The state has established a Renewable Portfolio Standard (RPS) for electricity generation, should there also be one for one of the other three major sources of energy in the state: namely methane or natural gas. Biogas from a digester can be upgraded and contain a methane content that is far higher than what's available in the state's gas pipelines today. Making greater use of renewable methane would increase the supply of "natural gas" and cut greenhouse gas emissions in California. In Sweden, 45% of the methane used for commercial and residential purposes comes from biological sources. The current Swedish government has set a goal of being fossil free by 2020.
- ii) Waste management facilities can be sources of renewable electricity and biomethane for the transportation sector. Several sanitation districts are already capturing the biogas from their operations and using it to create renewable electricity. In Sweden, at least one sewage treatment plant captures biogas, upgrades it, and produces a useable form of biomethane for the transportation sector. The Integrated Waste Management Board (IWMB) should conduct a quick assessment and determine what percentage of the state's sanitation districts capture the biogas and use it to generate renewable energy. The IWMB should develop recommendations on what can be done to ensure that 100% of the biogas is captured. The IWMB should report back to the CEC and the Governor's office within 120 days on the results of their findings.
- iii) Under the new NGV R&D program the CEC should encourage projects related to renewable methane in the transportation sector. The EPA is actively seeking to develop biomethane transportation projects as a way to deal with dairy manure in the San Joaquin Valley. Amongst other benefits, the CEC funds could be used to leverage EPA and other federal investments.

Recommendation #4: The State should make the development of an E-85 refueling network as high or even a higher priority as the Hydrogen Highway.

- i) Over 250,000 flex-fuel vehicles capable of operating on E-85 (85% ethanol and 15% gasoline) are in-use in California today. The state itself owns more than 2,000 such vehicles. However, none of these vehicles actually run on E-85. The state should install E-85 pumps at each of its own gas stations and ensure that these vehicles use this renewable and domestically produced fuel. By 2010, the state should set a target that 50% of time their flex-fuel vehicles are operating on E-85. By 2012 the goal should be 90%. The Governor should direct the Secretary of the State and Consumer Services Agency to submit a plan by December 1, 2006 indicating it how it intends to comply with this request.
- ii) The state should commit itself to buying only alternative fuel or hybrid vehicles going forward. A program should be put in place to ensure that any vehicle capable of running on an alternative fuel actually does so 90% or more of the time.