

Docket Optical System - docket number 06-AFP-1 and indicate "Alternative Fuels Transportation Plan"

From: "Greg Shipley"
To: "CEC CARB Alternative Fuels Transportation Plan"
Date: 6/5/2007 1:50 PM
Subject: docket number 06-AFP-1 and indicate "Alternative Fuels Transportation Plan"
CC: "Miguel Zermeno" , "Eugene Tseng" , "Coby Skye" , "Dean Simeroth" , "Arnold Schwarzenegger" , "Dan Predpall" , "Joe Norbeck" , "Sal R. Moretti" , "Hans Kernkamp" , "Alex Helou" , "M Fatigati" , "Chip Clements" , "Nicole Bernson" , "Berton, Fernando" , "Michael Theroux" , "Mike Mohajer" , "Charles Toca" , "Chris Choate" , "David Roberti" , "Dr. Kay Martin" , "Jim Stewart" , "John Zamlen" , "Leonard Mitchell" , "Paul Relis" , "Rus Miller" , "Russell Dix" , "Ruth MacDougall"
Attachments: "Miguel Zermeno" , "Eugene Tseng" , "Coby Skye" , "Dean Simeroth" , "Arnold Schwarzenegger" , "Dan Predpall" , "Joe Norbeck" , "Sal R. Moretti" , "Hans Kernkamp" , "Alex Helou" , "M Fatigati" , "Chip Clements" , "Nicole Bernson" , "Berton, Fernando" , "Michael Theroux" , "Mike Mohajer" , "Charles Toca" , "Chris Choate" , "David Roberti" , "Dr. Kay Martin" , "Jim Stewart" , "John Zamlen" , "Leonard Mitchell" , "Paul Relis" , "Rus Miller" , "Russell Dix" , "Ruth MacDougall"

**CALIFORNIA ENERGY COMMISSION
DOCKETS OFFICE, MS-4
RE: DOCKET NO. 06-AFP-1
1516 NINTH STREET
SACRAMENTO, CA 95814-5512**

DOCKET 06-AFP-1	
DATE	JUN 05 2007
RECD.	JUN 05 2007

RE: ALTERNATIVE FUELS TRANSPORTATION PLAN

Dear Honorable Members of the CEC and CARB Boards and Staff:

Please find attached our letter concerning the "Alternative Fuels Transportation Plan".

I would like to also submit some constructive observations, regarding the May 31st meeting; they are intended to be useful and out-right criticism:

- **The meeting attempted to cram too much into one session. As a result, many pertinent presentations were cut short, hurried or were given so late that many people did not hear them.**
- **In the past, if you were a participant on the phone (without the ability to "sense" what is happening within the auditorium) the operator took your name and asked if you wanted to comment on any agenda item. The operator took the information, but, it was not given to the dais or was not implemented. The Chair should ask for the participants on the phone to give their input at the appropriate time.**
 - **In the case of the last meeting, the 1:30 PM agenda item was 4 hours off-schedule; which is bad enough. However, I assuming that because of time restraints, public input was disregarded.**
 - **That means that I was on the phone for over 5 1/2 hours without the ability to comment. That's wrong.**

Thank you for you consideration of these comments and those contained in our letter for future implementation of the "Alternative Fuels Transportation Plan".

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CONVERTING THE SOLID WASTE STREAM TO ETHANOL

June 4, 2007

**CALIFORNIA ENERGY COMMISSION
DOCKETS OFFICE, MS-4
RE: DOCKET NO. 06-AFP-1
1516 NINTH STREET
SACRAMENTO, CA 95814-5512**

RE: ALTERNATIVE FUELS TRANSPORTATION PLAN

Dear Honorable Members of the CEC and CARB Boards and Staff:

With all due respect, we believe that the workshop did not adequately address the stated purpose of this event; that being: "The workshop will focus on potential scenarios and actions needed to increase alternative transportation fuels, reduce petroleum use, and achieve greenhouse gas emission reductions in on-road and off-road transportation markets."

In our opinion, private industry and its financial partners will determine what is viable in terms of product, technology and meeting the strict permitting requirements in California. It seems as though every workshop concentrates on discussion of the potential "winners and losers" on a technology or product basis. When, in fact, we believe that the State of California should be concentrating on how it could help foster the creation of environmentally sustainable, small regional biorefineries that would create renewable energy needs for California.

To that end, we would like to suggest the following, positive positions that the State of California could effectively implement; they are:

1. The State of California would establish a mechanism to satisfy "guaranteed yield" requirements for investors and other financial institutions. Basically, this would be a substitute for biorefineries paying a bonding agency to underwrite such requirements. Currently, such bonding mechanisms are extremely rare and extremely costly, but, necessary in a new industry.
2. Due to the many discrepancies in current California Code concerning "Conversion Technologies" (CTs) or subsets of technology definitions, and/or permitting parameters between CEC and CIWMB criteria; the State of California should consider making the CEC the primary oversight agency. The ability to govern the production of energy is the main issue and should stay with the CEC.
 - a. There are at least 52 separate permits that our first commercial validation plant would need to go through; representing over 100+ public meetings that require public notices that range from 30-45 days. Some of these permitting issues can be done in parallel;

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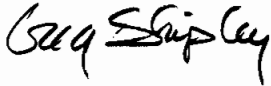
CONVERTING THE SOLID WASTE STREAM TO ETHANOL

however, the period would result in at least 2 years of permitting and millions of dollars in excessive costs. The primary permits should be the Air Quality Permit to Construct and the Water Board Permit.

- b. The CEC should implement a similar process developed for the petrochemical industry that would allow for the CEC to become the "project manager" for which all permitting applications would go through. This "centralized" permitting would greatly streamline the process; making California more competitive with other states for the building of these facilities ... while, at the same time, assuring California's need to protect its interests as a result of all permitting requirements.
3. Establish a goal, through the BioEnergy Action Plan or other mechanism, that the overall goal for California is to produce its own renewable energy needs as a preferred option. This type of criteria would avoid any market disasters that California experienced from past policies that only sought "end products" without consideration for producing products. The importation of any energy is not a desirable position to be in for any future considerations.
4. Other Incentives to make California competitive with the rest of the Country, might include:
 - a. Tax Credits for production of biofuels and biochemicals
 - b. Grants for R&D as well as commercial validation plants for various technologies and/or feedstock materials. (This is where detailed discussions of technologies and direct California funding would be appropriate.)
 - c. Distribution network grants, tax credits and other incentives to build the infrastructure.
 - d. Education materials and other informative information or databases for local government and consumer use.

We look forward to the State of California taking a pro-active and deliberate part in the development and use of vital, renewable production of energy.

Best Regards,
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Greg Shipley
President

Cc: BPA, Biomass Collaborative