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| Date:    | 7/8/2008 3:52 PM  |
| Subject: | July 9- CEC Advisory Board call-in  |

Dear James,

Unfortunately, I am stuck in the UK and have to attend a key investor meeting tomorrow at the time of the AB118 meeting.

I have read the briefing materials and have a few comments that I would like to share with the meeting. My comments are below which could be read out, or alternatively, would it be possible for Mark Ramsier to put these points to the meeting on my behalf on this occasion?

My comments are:

1. I am generally very supportive of the approach and priorities. I am particularly supportive of the language targeting fuels from waste as AIC believes this could hold the largest benefits;

2. While the definitions of eligible fuels make it clear that all options are open, it would be good to see specific support for fuels which are not water soluble and which therefore avoid the need for distillation. Such fuels avoid the cost, energy and GHG emissions of distillation and hold the promise of compatibility with existing fuel distribution infrastructure;

4. Again, while definitional language makes it clear that all options are open, I am concerned that tables such as Table 1 could become seen as an official ranking when some viable alternatives (such as above) are conspicuous by their absence and others may be yet discovered. What will be the mechanism for developing equivalent comparisons for emerging alternatives? How are we to ensure that the existing listed options don't become the only options?

5. It would be particularly useful to have more clarity on the basis by which the avoided GHG values for Table 1 were calculated so that others may be similarly compared by developers.

6. It would also be useful to see waste-based and non-distilled fuels included separately in future tables.

Sorry for the problem at my end.

Best regards,

Steve

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