



Wade Randlett  
Co-Founder

September 19, 2008

DOCKET	
08-018-1	
DATE	SEP 19 2008
RECD.	SEP 19 2008

Commissioner James D. Boyd  
Vice Chair and Presiding Member, Transportation Committee  
Commissioner Karen Douglas  
Commissioner and Associate Member, Transportation Committee  
California Energy Commission  
1516 Ninth Street  
Sacramento, CA 95814

Dear Vice Chair Boyd and Commissioner Douglas:

NextFuels would like to comment on the Proposed Draft Regulatory Language, Docket No. 08-OIR-1, which establishes regulation for the administration of California's Alternative and Renewable Fuel and Vehicle Technology Program. At the onset, let me state that we support the overarching Sustainability Goals presented at the Committee's September 9, 2008 workshop.

NextFuels is one of the largest biodiesel suppliers in California, and considers itself to be an industry leader and innovator for the development of bio-diesel using sustainably harvested palm oil.

NextFuels supports the development and use of specific sustainability criteria for palm-based biodiesel production and transportation. The key is to ensure that palm oil grown for California biodiesel is grown on previously deforested lands on sustainable palm plantations.

NextFuels supports robust third-party certification and meaningful product tracking verification to guarantee that palm oil feedstock for California biodiesel be produced solely on lands that were deforested prior to 2005.

Certified sustainable palm plantations will help California achieve the sustainability goals to produce fuels that are 1) more environmentally efficient, 2) less environmentally damaging, 3) respect local, regional, and global carrying capacities, and 4) and meet the criteria for second generation biofuel carbon dioxide reductions.

NextFuels embraces an adaptive management approach to avoid unanticipated consequences and to help maximize environmental benefits.

Sustainable palm biodiesel provides positive energy output and substantial GHG emission benefits. It is an important feedstock that can help California achieve its low carbon fuel standards (LCFS) and meet the goals of AB 32. When production is managed in a truly sustainable manner, sustainable palm's concentrated bioenergy yields the smallest life-cycle

Wade Randlett  
Co-Founder

carbon footprint of all other currently available feedstocks to produce an equivalent amount of energy.

Oil-palm trees grow naturally in tropical areas, which can include ecologically sensitive habitat. Unsustainable palm plantations are associated with deforestation of tropical forests, emissions from GHG-rich soils, and habitat loss to a number of important species. California public policy should not create a regulatory environment that allows companies to reap economic benefits from deforestation or recently deforested lands.

California regulation should ensure that palm-based biodiesel is produced from previously deforested lands using sustainable planting, harvesting, and processing techniques. Under no circumstance should palm-based biodiesel failing to satisfy meaningful sustainability criteria be eligible for the benefits of California's GHG reduction programs.

NextFuels is available to help refine and implement specific sustainability criteria and to provide information relating to the production, transportation, and use of sustainable palm-based biodiesel to further the understanding of the substantial GHG reduction benefits obtainable from good palm.

We look forward to working with the California Energy Commission and the California Air Resources Board to achieve the goals of AB 118, the Low-Carbon Fuel Standard and AB 32. Again, we congratulate and support the work of your committee and the Energy Commission's staff in developing the proposed regulations for administering California's Alternative and Renewable Fuel and Vehicle Technology Program.

Sincerely,



Wade Randlett  
Co-Founder  
NextFuels, Inc.

Cc: Chairman Jackalyne Pfannenstiel, CEC  
Commissioner Arthur H. Rosenfeld, CEC  
Commissioner Jeffrey Byron, CEC  
Commissioner Karen Douglas, CEC  
Chairperson Mary Nichols, CARB  
James Goldstene, Executive Officer, CARB  
CEC Docket No. 08-OIR-1