



**1255 Post Street, Suite 1015  
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<b>DOCKET</b> 08-ALT-1
DATE <u>FEB 16 2009</u>
RECD. <u>FEB 19 2009</u>

February 16, 2009

California Energy Commission  
Dockets Office, MS-4  
Re: Docket No. 08-ALT-1  
1516 Ninth Street  
Sacramento, CA 95814-5512

RE: COMMENTS ON AB 118

The California Biodiesel Alliance (CBA) thanks you for this opportunity to comment on AB 118. The California Biodiesel Alliance represents a variety of biodiesel producers, marketers and users within California.

On January 13, 2009, a Joint IEPR and Transportation Committee Workshop on Biofuels in California was held in Sacramento. One presentation included the Energy Commission's estimate of biodiesel production in California.

The California Biodiesel Alliance believes this estimate to be inaccurate and also believes that the Energy Commission's utilization of this estimate may lead to incomplete or faulty conclusions which may result in improper policy decisions, especially as it relates to implementation of AB 118.

The California Biodiesel Alliance has polled its members and herein provides an estimate of current and near-future California biodiesel manufacturing capacity.

**The workshop presentation and Energy Commission estimate**

The summary can be found on Slide #14 of the following presentation available on the Energy Commission's website.

[http://www.energy.ca.gov/2009\\_energypolicy/documents/2009-01-13\\_workshop/presentations/Tiangco\\_Valentino\\_Biofuel\\_Production\\_in\\_California.pdf](http://www.energy.ca.gov/2009_energypolicy/documents/2009-01-13_workshop/presentations/Tiangco_Valentino_Biofuel_Production_in_California.pdf)

Slide #14 references the following webpage as its source for data.

<http://www.biodieselmagazine.com/plant-list.jsp>

This data list is recreated in Table 1 below.

**TABLE 1**  
**BIODIESEL MAGAZINE ESTIMATES OF BIODIESEL MANUFACTURING CAPACITY IN CALIFORNIA\***

	Plant Name	City	Capacity (mmgpy)
	<b>ACTIVE CAPACITY</b>		
1	Bay Biodiesel, LLC	San Jose	5
2	Blue Sky Bio-Fuels Inc.	Oakland	20
3	Community Fuels	Stockton	10
4	Energy Alternative Solutions	Gonzales	1
5	Extreme Biodiesel	Corona	2
6	Imperial Western Products	Coachella	12
7	LC Biofuels, LLC	Richmond	1
8	New Leaf Biofuels, LLC	San Diego	2
9	Renewable Energy Products-LA LLC	Santa Fe Springs	10
	<b>TOTAL NUMBER OF ACTIVE PLANTS</b>	<b>9 plants</b>	
	<b>TOTAL CAPACITY (mmgpy)</b>		<b>63</b>
	<b>UNDER CONSTRUCTION</b>		
	Simple Fuel Biodiesel	Vinton	2
	<b>IDLE</b>		
1	Biodiesel Industries	Venture	3
2	Noil Energy Group	Commerce	5
3	Southern California Biofuel	Anaheim	1
4	SoCal Biodiesel Fuels, LLC	San Jacinto	2.4
	<b>TOTAL NUMBERS OF IDLE PLANTS</b>	<b>4 plants</b>	
	<b>TOTAL IDLE CAPACITY (mmgpy)</b>		<b>11.4</b>

\*The California Biodiesel Alliance believes this table is inaccurate and provides a more accurate estimate in Table 2.

**The Biodiesel Magazine plant list as a data source**

The Biodiesel Magazine plant list is an inaccurate summary of biodiesel capacity for the United States and for California. Biodiesel Magazine routinely accepts press releases and news items from biodiesel companies at face value and completes little or no research on whether plants are actually being constructed and commissioned or are operating or are capable of producing biodiesel at the stated capacity.

**California Biodiesel Alliance plant list**

The CBA has polled its members in an attempt to complete a revised list for the benefit of the Energy Commission. The results are outlined in Table 2.

Table 2 includes our best estimate on current production capacity (February 2009) and additional capacity which we expect to come on line during 2009.

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TABLE 2

## CALIFORNIA BIODIESEL ALLIANCE ESTIMATE OF BIODIESEL MANUFACTURING CAPACITY IN CALIFORNIA

<u>Plant</u>	<u>Location</u>	<u>Feedstock</u>	<u>Capacity (mmgy)</u>	<u>January 2009</u>	<u>Summer 2009</u>	<u>Comment</u>
Blue Sky Bio-Fuels, Inc.	Oakland	multi-feedstock (RCO OK)	0.5	x	x	
Energy Alternative Solutions	Gonzales	multi-feedstock (RCO OK)	0.5	x	x	
Yokayo Biofuels	Eureka	multi-feedstock (RCO OK)	0.36	x	x	
REP	Santa Fe Springs	multi-feedstock (NO RCO)	3.6	x	x	Currently in commissioning phase
Imperial Western Products	Coachella	multi-feedstock (RCO OK)	10	x	x	Currently producing 6 mmgy
New Leaf Biofuels LLC	San Diego	multi-feedstock (RCO OK)	2		x	Currently in commissioning phase
Community Fuels	Stockton	multi-feedstock (NO RCO)	10		x	Commissioning February 2009
Crimson Renewables	Bakersfield	multi-feedstock (RCO OK)	30		x	Commissioning February 2009
Extreme Biofuel	Corona	multi-feedstock	0			Idle
LC Biofuels	Richmond	virgin oils	0			Plant no longer in existence
Southern California Biofuel	Anaheim	multi-feedstock	1			Idle – should not count in capacity
SoCal Biodiesel Fuels LLC	San Jacinto	multi-feedstock	2.4			Idle – should not count in capacity
Simple Fuel Biodiesel	Vinton	multi-feedstock	2			No response from plant owners
Bay Biodiesel LLC	San Jose	virgin oils	3			Idle – should not count in capacity
GeoGreen	Vernon	multi-feedstock (No YG)	3			In construction
Biodiesel Industries	Ventura	multi-feedstock (YG okay)	3			Idle
Accuchem	El Centro	multi-feedstock (No YG)	5			Idle – should not count in capacity
Noil Energy Group	Commerce	multi-feedstock	5			Plant was not built
		<b>Number of plants</b>		<b>5</b>	<b>8</b>	
		<b>Capacity (mmgy)</b>		<b>15.0</b>	<b>57.0</b>	
		<b>Number of plants capable of using California Waste Feedstocks</b>		<b>4</b>	<b>6</b>	
		<b>Capacity (mmgy) of plants capable of using California Waste Feedstocks</b>		<b>11.4</b>	<b>43.4</b>	

RCO OK – means the plant is capable of processing recycled cooking oil or other high FFA feedstocks.

NO RCO – means the plant is not capable of processing recycled cooking oil or other high FFA feedstocks.

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Note that in our estimate of additional capacity to come on line during 2009, we have included plants who report that they are currently in the commissioning phase. We caution that many plants experience delays in achieving full production capabilities due to process development and in producing on-spec biodiesel product. However, we have no reason to believe that respondents will incur these delays; therefore we are listing their capacity as being available in 2009.

It is also important to note that, in considering funding opportunities, the Energy Commission will seek to maximize GHG reductions. California-produced Biodiesel from California waste feedstocks offers significant GHG reductions compared to almost all alternative renewable fuels. ARB has not released a CA-GREET model for California-produced Biodiesel from California waste feedstocks but based on the CA-GREET mid-west soy biodiesel pathway, if we deduct the mid-west soy agricultural inputs, the use of locally-produced biodiesel from waste feedstocks should achieve a greater than 90 % reduction in GHG emissions compared to Ultra Low Sulfur Diesel.

Not all biodiesel enjoys this level of GHG emissions reduction, however. For example, the final CA-GREET model is expected to show that Soy-based Biodiesel from Midwest feedstocks reduces GHG emissions only about 40 % compared to ULSD. The ARB is currently modifying the CA-GREET model for soy biodiesel that includes Land Use Change components.

Table 2 also shows that California is limited in the biodiesel production capacity necessary for processing California waste feedstocks such as higher FFA Recycled Cooking Oil and Animal Fats. We calculate that at least 75 million gallons of California RCO-AF waste oils are available for use as biodiesel feedstocks with a potential for another 75 million gallons available from trap grease recycling. Many of our respondents commented that they cannot process the lower quality waste feedstocks. Hence, we find that California does not currently have the production capacity to take complete advantage of the waste feedstocks available, that is, those feedstocks that generate the highest GHG emissions reductions.

#### Summary

The California Biodiesel Alliance believes that the Energy Commission is overestimating current California biodiesel manufacturing capacity, especially the capacity of those plants capable of using California waste feedstocks, and that the enclosed corrected estimates should be used in Energy Commission policy-making.

Thank you again for this opportunity to comment.

Very truly yours,



Eric M. Bowen  
Chairman

Cc:  
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