

Public comment to:

California Energy Commission
Re: Docket No. 08-ALT-1
Advisory Committee Meeting
Feb 11, 2009 San Jose, CA

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08-ALT-1	
DATE	FEB 11 2009
RECD.	FEB 24 2009

Yokayo Biofuels requests the commission consider our comments regarding the Advisory Committee Meeting of the commission in regards to implementation of the Alternative and Renewable Fuel and Vehicle Technology Program.

Yokayo Biofuels is a biodiesel company located in Ukiah, California and has been in business for 7 years. We collect waste oil from over 800 restaurants, process it into biodiesel, and sell it to retail and wholesale customers in the north bay area. Presently we produce and sell 350,000 gallons of fuel per year. We are one of the original developers of the biodiesel market in California and our CEO Kumar Plocher has long been a champion of sustainable biofuels.

Key Points of Commentary:

- Support "in state" operations. Keep our dollars near home.
- Fund existing plants & programs. They are proven candidates.
- Local feedstocks only. California **can do this**, over time.
- Principals need "track record" of environmental commitment

Our comments will only address the production of biodiesel. We feel strongly that the commission should support "in state" companies to implement this program. This would extend to the ownership of applicants as well as plant locations. Funding and incentives meant to promote and improve California resources must not be drained off to large corporations whose centralized operations are in other states. Once funds travel indirectly out of state, accountability is lost and we risk losing the desired effects of the funding programs.

Your primary funding allocations should first be for existing plants and programs as compared to "planned" locations, equipment, or programs. An operating plant is more ready to increase biofuel capacity by growing and improving operations than a new or "concept" plant, which still has many obstacles to overcome before production quality and volume are confirmed. We have observed "concept plants" get grants and aid only to waste it on failed start up attempts, generally by unproven managers and untested models. Glossy presentations don't make for successful implementation. Risk should be minimized by first focusing on existing businesses and programs. But a bigger reason to fund existing plants is this: with only \$3-5 million to spend, you can't seriously help any new plants get started, as it takes that much just to build one plant. So avoid trying to help new ventures.

We also feel that local biofuel feedstock is a critical element of any program to encourage increased fuel production. While large quantities of biofuels must presently be imported from other states or countries to meet demand, California has outstanding resources to develop the appropriate plants for biofuels, including world class agricultural research programs, venture capital centers, fertile lands, sunshine, and moderate climate. With funded and focused research and development, California will ultimately meet the future domestic demand of biofuels, a demand that will over time be decreasing as we achieve greater mpg in vehicles, greater battery power in electric vehicles, more mass transportation, and higher efficiency in our trucks and trains. Significant feedstock crops will take some time, but acreage will be developed as the fuel and feedstock markets become a more attractive goal for farmers and investors. To get us there, we need programs like yours.

Lastly, look for shared commitment to your goals from the applicants you consider. Many entrants into the biofuel industry are simply opportunists, trying to capitalize on easy front end money, tapping investor funds and government subsidies. We have seen this at a very large scale, to the loss and detriment of all involved. Sustainability is not always sexy, and certainly doesn't have a quick return in these difficult times. You should work with people and firms who have shown enthusiasm and determination in their fields, with a true understanding of sustainability, carbon footprint, life cycle impact, etc. Check their results so far, check their track records.

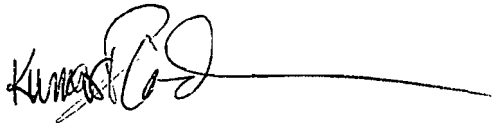
So please make sure to fund existing plants, existing feedstock programs, AND don't forget to connect the two: fund plants that use local feedstocks, not imported oil.

Now for some practical suggestions:

Although you don't have a lot of funds for biofuel plant development or expansion, you will be getting similar or greater funding each year, for 4 more years. So rather than pass out small rewards that won't buy much, try to focus on fewer larger projects; or possibly grant a series of payments, such as equal amounts each year for 4 years to a recipient.

We are very pleased that California is taking these steps to combat global warming and provide secure and sustainable energy for our citizens. We laud your work and hope you will make the right productive choices as you fulfill these duties.

Respectfully,

A handwritten signature in black ink, appearing to read 'Kumar Plocher', followed by a long horizontal line extending to the right.

Kumar Plocher
President & CEO

A handwritten signature in black ink, appearing to read 'Stephen Plocher', followed by a long horizontal line extending to the right.

Stephen Plocher, CPA
Chief Financial Officer