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Sustainable **FUELS**
Sustaining **LIVES™**

February 27, 2009

California Energy Commission
Advisory Committee Meeting
Dockets Office, MS-4
Re: Docket # 08-ALT-1
1516 Ninth Street
Sacramento, CA 95814-5512

One Market Street
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San Francisco, CA 94105

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Dear Commissioners and Advisory Committee Members,

We at Sirona Fuels commend the Commission for its efforts in the implementation of AB 118 and welcome the opportunity to provide our input.

It is our understanding that the Commission categorizes Biodiesel as a "Low Carbon Fuel". We are a Biodiesel producer that uses a waste vegetable oil as a feedstock. This generates among the highest levels of GHG emissions reductions of any fuel. The categorization of all Biodiesel as only a "Low Carbon Fuel" is thus in our view inadequate. Biodiesel production such as ours should be eligible for inclusion in categories such as "Ultra Low Carbon Fuel" or "Super Ultra Low Carbon Fuel".

We also urge the Commission to examine all feedstock procurement and refinery operations individually due to the diversity in the sector. We believe Sirona Fuels' proximity to the sources that we collect feedstock from and the proximity of our end users do merit consideration. Additionally our new effort in procuring Jatropa Oil from sustainably produced sources both domestically and abroad presents itself as an additionally beneficial model for Biodiesel production that will generate additional GHG reductions as it is implemented.

Sirona Fuels recommends that the following areas be considered for funding under AB 118:

1. Providing subsidies/incentives for California end users to enter into long term contracts with local refiners to purchase Biodiesel at sustainable prices.

2. Help fund plant upgrades that enable the utilization of a wider range of waste feedstocks.
3. Help fund plant storage capacity upgrades to handle multiple feedstocks more efficiently.
4. Help fund Biodiesel blending infrastructure.
5. Subsidizing Biodiesel testing services to allow smaller producers to be more competitive.

Sirona Fuels is a Biodiesel producing company headquartered in San Francisco, CA with refinery operations in Oakland, CA (Formerly Blue Sky Biofuels). Sirona addresses the unmet needs of diverse constituencies in the Biodiesel ecosystem and helps close the streams of waste and reduce the impacts that energy needs create. The company currently produces a low-carbon, ASTM-spec Biodiesel from its used cooking oil collection and refining business and is expanding its feedstock intake to include other waste products and sustainably grown inedible feedstocks. Thank you for your solicitation and receipt of our input.

Sincerely,

Robert C. Kirsten
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