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April 8, 2009

Karen Douglas
James Boyd
California Energy Commission

re: AB 118 Docket No. 08-ALT-1 Revised Investment Plan

Chairman Douglas and Vice-Chair Boyd,

I have a few comments on the revised Investment Plan and Allocation of Funding which were discussed in the April 6 meeting. I was able to listen to the morning session of the meeting but was not in a position to comment at the time. I make these comments from the perspective of a San Joaquin Valley resident and as a leader in the Association of Irrigated Residents, an air quality and environmental justice group located exclusively in the San Joaquin Valley.

I wish to point out a few areas where I see possible improvements in the plan. I do not see the value of subsidizing the installation of E 85 fuel pumps at this time. Even though this action may be intended to promote cellulosic ethanol, the reality is that this type of ethanol does not exist and probably will not exist if full cycle energy analyses are done correctly and sustainability issues are properly considered. Until other ethanol sources are developed which are truly viable, corn ethanol will be the only beneficiary of this action to increase E 85 fueling stations. It should be obvious that corn ethanol is going nowhere in our need to reduce green house gas emissions and is, in fact, taking us in the wrong direction. If any alternative source of ethanol is found in the future, it should be used to first replace the percent of corn ethanol already in our fuel supply. Encouraging E 85 right now with these scarce funds is going backwards in GHG reduction. We certainly do not want any encouragement of corn ethanol in the San Joaquin Valley. Besides the well established indirect land use changes associated with growing food for fuel, we have no carrying capacity in the San Joaquin Valley for ethanol refineries which will increase air pollution emissions, encourage expansion of dairies and feedlots and use up valuable ground water. Issues with the byproduct (distillers grains) being suitable feed for animals have not been thoroughly studied but there are strong signs that E. coli 0157 in cows will increase from the use of this feed source and antibiotic resistant bacteria from the ethanol refinery processes can also be spread to surrounding areas in the distillers grains. In the light of serious health problems like these arising from the location of corn ethanol plants in the SJV, we must ask the CEC to be very cautious in using scarce investment money to encourage them in any way, even indirectly through E85 pump subsidies.

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Promoting natural gas or propane trucks in the port areas and for school buses is a good investment goal for the first few years of this funding. Since this money comes from regressive taxation in the form of increased vehicle registration and increased smog fees it should be a priority to replace dirty diesel trucks and buses, whenever possible in low income parts of the state where the air quality is the poorest. There is no area that fits these criteria better than the San Joaquin Valley. For that reason, I would like to see a specific goal to replace old diesel school buses with natural gas vehicles as quickly as possible in the San Joaquin Valley and starting in the Southern end of the valley. Many school districts in Kern, Kings, and Tulare County are relatively poor and have the older polluting diesel buses which must travel relatively long distances transporting children. They are in the most need of this program to switch over diesel buses and this should priority should be specifically indicated in the investment plan.

For reasons listed in the previous paragraph about polluted areas and regressive taxes it would also be appropriate to designate a certain proportion of the workforce training money for the San Joaquin Valley specifically.

Thank you for the opportunity to comment.

Tom Frantz