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California Energy Commission,

My name is Derald Andrews. I am a representative for American-West Bio Energy. American-West Bio Energy is a Bio Diesel refinery based in the city of Richmond's fuel refining district. American West is planning to build a \$60 million biodiesel plant with the capacity to produce 40 million gallons of bio diesel and 4 million gallons of purified glycerin annually. The plant will use varied feed stocks of Soy Bean, Canola, Algae, African Palm, used cooking oil etc.

We request that you increase the awarded funds into the biodiesel plant category, and or secure flexibility in the program to allow funds to be moved into the biodiesel plant area if there are insufficient proposals in other categories to exhaust their allocated funding level.

We ask the Energy Commission to increase the allocation the Bio Diesel category outlined in its investment plan from \$2 to \$6 million, at a minimum. We are confident that there will be many competing interested for the biodiesel production plants, and meaningful awards of Loan Guarantees. At the present funding level two to three plants are likely.

A 40 million gallon production facility can fuel over 60,000 cars and light trucks with a pure fuel (more as a blend). Our facility, if built, will reduce 600 million metric tons of "Green House Gases Annually". This reduction is equivalent to 240,000 electric vehicles. And that's just one facility! We understand that there are only 15,000 electric vehicles in California today, 17-years after there were introduced, at this rate electric vehicles would take 17 more years to match building one biodiesel plant, which could be operational within 1 ½ years. Yet, per the allocation plan we receive a small fraction of the amount that is awarded to electric vehicles as an example.

The funding plan places a majority of funds for electric vehicles, and other alternative fueled vehicles and only 3% for biodiesel plants. We are sad to see California government views biodiesel, as such a small contributor to the solution mix. We understand that today biodiesel fuel use is reducing more global warming gases than all alternative fueled vehicles combined. So we are confused why the State program is not working aggressively to further expand an effective option. A few challenges Bio Diesel plants are faced with is having access to:

- Deep Sea access,
- Bulk Storage Facilities,
- Terminal Blending Facilities,
- Unfavorable economics with petroleum fuels.

American West is located with-in 2,000 feet from the Pacific Atlantic Terminals and a mere 2,500 feet from terminal two's deep sea pipeline. American West has received preliminary approval to run a pipeline extension from the site to the terminal. The cost is estimated at \$200,000.00. A small price to pay to gain access to the world markets.

The site is rail served giving direct access to five neighboring refineries (Conoco Philips, B.P, Chevron, Shell, Tesoro) and all six terminals. The BNSF Richmond sixty car rail yard is just three miles away.

American West's state of the art 28,000 square foot "Green Facility" situated on it its 5 acre parcel; the company will posses its own blending facility and storage tank farm.

Over the past four years, American West has worked closely with both, city officials and top executives of the Port of Richmond. The final application has been submitted and the company will be receiving its final approval with in 60 days.

American West is seeking a loan guarantee of \$60 million which the company will use as leverage to secure funding from two institutional banks. These institutions love the project and in any other economy, would fund it with out delay. So we seek your support.

In closing, we would like to invite the entire panel to visit the site of American West Bio Energy. Again, we ask that you appropriate more funding to Bio Diesel plant projects, so that funding and sufficient loan Guarantees are available to use as leverage to secure funding from the public and private sectors.

Blessings,

Derald Andrews
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