

# DOCKET

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**From:** Donna Hanberg <dhanberg@yahoo.com>  
**To:** <mediaoffice@energy.state.ca.us>  
**CC:** Harriet Kallemeyn <hkalleme@energy.state.ca.us>  
**Date:** 8/11/2010 9:44 AM  
**Subject:** Fw: COMMENTS FOR CEC BUSINESS MEETING-AUGUST 11, 2010 AGENDA ITEM #2  
**Attachments:** LEI-APL RM Comments.zip

Sent: Wed, August 11, 2010 9:30:39 AM

Subject: COMMENTS FOR CEC BUSINESS MEETING-AUGUST 11, 2010 AGENDA ITEM #2

Subject: 2010-11 Investment Plan for the Alternative and Renewable Fuel and Vehicle Technology Program

Thank you Harriet, and the staff for your consideration to include American President Lines, (APL) comments at the CEC Business Meeting, August 11th on

Agenda item #2. The comments are submitted on behalf of the proposed Renewable Methanol (RM) demonstration project at the Port of Los Angeles (POLA) with its

partners, Lotus, Navistar, Methanex, Capacity, and the South Coast Air Quality District (SCAQMD).

Albeit the comments offered were intended to be submitted earlier; however, the nature of corporate governance policy required legal and corporate

communications review. Never-the-less, we are of the opinion that the RM category should receive prioritization to test and deploy an innovative, emission reducing mode

of cargo handling.

This advanced demonstration project represents an opportunity for large-scale and quickly implementable emissions reductions solutions. Additionally, it offers an opportunity to

fund projects involving near-market technologies.

Thank you for the opportunity to provide comments on the proposed APL-Lotus demonstration project at the POLA. If you have any questions regarding these comments, please feel free to contact me at 949.675.5903.

Sincerely,

Donna Hanberg  
949.675.5903  
714.330.0549 (Cell)  
260 Newport Center Dr #100  
Newport Beach, CA 92660



*A Leader in Global Container  
Transportation Services.*

Tuesday, August 10, 2010

Mr. James D Boyd, Vice Chair  
Mr. Anthony Eggert, Commissioner  
California Energy Commission  
1516 Ninth Street Sacramento CA 95814-5512

Re: American President Line, Ltd. (APL) Comments on Renewable Methanol (RM)

Thank you for the opportunity to provide comments on the proposed 2010-11 Investment Plan and Renewable Methanol (RM).

APL believes that RM is a very worthwhile project with the potential to transform stevedoring and terminal operations in California and then North America by substantially reducing air emission impacts of these facilities. We have aligned ourselves with a world class team of stakeholders and together we have developed innovative engineering approaches to optimize the use of methanol, achieving better engine efficiency than conventional diesel engines. Moreover, unlike conventional methanol from natural gas reforming (CO-based chemistry), renewable methanol (RM) targeted for this demonstration is made from CO<sub>2</sub> taken from diverse non-fossil fuel sources such as geothermal, industrial waste gas streams, and/or biological sources.

We strongly believe that it is important to set up a specific funding category for RM to help nurture and develop this technology. We believe that the use of RM would generate substantial emission reductions of Green House Gasses (GHGs), toxics and diesel PM (which includes diesel soot and aerosols such as ash particulates, metallic abrasion particles, sulfates, and silicates) resulting from the deployment of this option, compared to existing diesel options. This technology, once matured, could also serve to provide a richer competitive environment among alternative fuels going forward, resulting in lower user costs.

### **Summary Points**

1. Renewable methanol from biofeedstocks and recycled CO<sub>2</sub> sources represents a very significant opportunity to diversify the transportation energy supply mix, address greenhouse gas emission issues, and improve air quality in areas currently impacted by diesel emissions.

2. Significant changes in the energy market have occurred since the last significant heavy duty methanol demonstrations took place in California nearly 2 decades ago, as oil prices are now above \$80 compared to those of \$20 – \$25 per barrel, which bear directly on the potential commercial competitiveness of methanol as a transportation fuel.
3. Renewable methanol can provide an additional important fuel supply option to supplement the inevitably limited biofuel sources such as ethanol production from grain and other agricultural land-dependent pathways. For example, the federal Renewable Fuel Standard recognizes this implicit limit by establishing a cap of 15 billion gallons on conventional ethanol production.
4. In order to fully leverage these important developments, it is critical that the CEC's AB 118 Investment Plan include some form of formal policy recognition of the potential significance of renewable methanol as an option.
5. A specific funding category should be established for renewable methanol in light of the significant efforts underway to foster its commercialization. Accordingly, a minimum of \$4 million should be allocated to a specific fund category for renewable methanol projects. Given the paucity of funds allocated to renewable methanol by the CEC over the past decade, this is a very cost-effective means of leveraging the significant efforts underway.

Sincerely,



Earl Agron  
APL  
Vice President Security & Environment  
Global Gateway Central  
1579 Middle Harbor Road  
Oakland, CA 94607