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California Energy Commission  
Dockets Office, MS-4  
1516 Ninth Street  
Sacramento, CA 95814-5512

## DOCKET

**10-ALT-01**

DATE June 02 2011

RECD. June 09 2011

Re: Docket No. 10-ALT-1; 2011-2012 Investment Plan

To Whom It May Concern:

Crimson Renewable Energy is a renewable fuels producer with strong energy industry production and logistics experience. We have made a substantial investment of time and resources into our biodiesel production facility located in Bakersfield, California, which is being commissioned this month. This plant will convert waste feedstocks into approximately 25 million gallons per year of ultra-low carbon fuel, making it the largest biodiesel plant in California. We will provide 25-30 full time, green California jobs and spend an additional \$40-50 MM per year in the state economy by purchasing raw materials, contractor services, and other materials and supplies from vendors and suppliers in California. As you can see, we have made a substantial investment in the biodiesel industry in California.

Crimson strongly requests that the \$4 million for infrastructure for diesel substitutes such as biodiesel, which was cut from the previous draft investment plan, be reinstated. After two very challenging economic years the US biodiesel industry is making a dramatic recovery but California lags behind the rest of the country for biodiesel utilization due to a lack of blending infrastructure. While ethanol is available at every fuel terminal in the state due to California's ethanol mandate that was enacted several years ago, biodiesel is not available at any major fuel terminal in the state. As a result fuel distributors have highly inefficient logistics for biodiesel blending having to obtain biodiesel at one location and pick up and blend the petroleum diesel at yet another location or vice versa.

Terminal storage, rack blending and underground storage tank (UST) upgrades are in crucial need of infrastructure support funding throughout the state. Crimson has three terminal projects that are ready to move forward that can make biodiesel much more readily available in key metropolitan markets in northern, central and southern California with a comparatively minor matching investment from the CEC. If the CEC reinstates these funds as part of the current investment plan, Crimson will apply for grants for these projects, which will add much needed distribution infrastructure in the state.

Additionally, biodiesel fueling has stopped in many places around the state because UST owners cannot afford the upgrades needed to comply with State Water Board regulations.



# CRIMSON

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Biodiesel's low carbon benefits can only be fully realized through a combination of federal and state programs of RFS2 and LCFS together with adequate investment in storage and blending infrastructure funding.

There is strong and growing support from OEMs for biodiesel blends, specifically B20 and below. Every major diesel manufacturer has certified the majority of their post-2000 models for use with B20 blends and below. We know that more than 80% of diesel is used in medium and heavy-duty vehicles, and heavy duty vehicle manufacturers are the predominant OEMs allowing B20. The Engine Manufacturer's Association also fully endorses the use in B5 in all diesel engines. Additionally, biodiesel blends up to B5 are considered to be standard diesel since the latest ASTM D975 diesel specification is inclusive of B5 and lower biodiesel content. B5 blending throughout California's diesel supply would represent a 200 million gallon per year displacement of petroleum diesel.

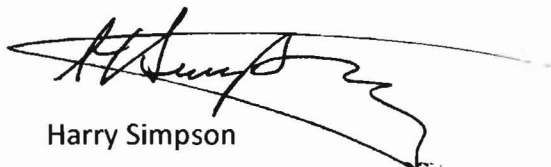
B5 implementation is a very efficient way to get quick and lasting carbon reduction results. We believe it is critically important for governmental agencies such as CEC to send the message that you are supportive of immediate results, which biodiesel can provide with B5, B20 and beyond.

As just one example of our comparable impact, Crimson's 25 Mgy biodiesel production facility will displace the same amount of petroleum in one year as putting 60,000 electric or hydrogen fuel cell vehicles on the road, which the EV industry expects to take 6 years to achieve. Since we are using waste feedstocks our ultra-low carbon fuel will achieve from 85-95% carbon reduction vs petroleum diesel. But we need infrastructure support in getting this fuel to market.

So we reiterate our request that the CEC reinstate the \$4 million for diesel substitutes infrastructure into the AB 188 Investment Plan. This infrastructure spending is a truly cost efficient way to support the biodiesel industry's unique combined impact of direct job creation, significant secondary support and spending within the California economy, greatly reduced greenhouse gas emissions, and helping our state achieve energy diversification and independence from foreign oil.

Thank you for your consideration of this issue of vital importance to our state's energy future.

Sincerely,



Harry Simpson