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April 12, 2012

Assembly California Legislature

Robert B. Weisenmiller, Chairman
California Energy Commission
1516 Ninth Street, MS-29
Sacramento, CA 95814

Dear Chairman Weisenmiller;

We respectfully request your support of the existing California Bio-refineries and their efforts to transition to and aggressively integrate next-generation feedstocks and technologies into the existing bio-refinery processes.

As you are aware, California-based biofuel producers have invested over \$500 million dollars in California's biofuel industry. This investment has resulted in the creation of over 2,000 jobs in the Central Valley, which provides the lowest carbon fuel commercially available in the United States. It is important that state policy remain consistent as we accelerate our move to even lower carbon fuel production. We have spoken to a number of different technology providers of next generation fuels, as well as the owners of the existing bio-refineries, and we all agree that the existing California plants offer us the best opportunity to commercialize next generation technologies.

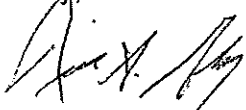
The California Energy Commission is leading this transition and we believe that you can play an even greater role in this time of critically high fuel prices. Your administration of the current CEPIP program provides that funds are used when low carbon fuel is produced, and only in times of market stress. When market conditions are average or normal, no funds are used, and when market conditions are superior, the funds are paid back to the state. This program is an outstanding model for all AB 118 funded projects as it allows both the state and the participants to share in the risk and reward.

The Legislature is currently moving forward with AB 523 (Valadao) that authorizes California Ethanol Producer Incentive Program (CEPIP) support for next generation feedstocks. This bill passed the Assembly 72-3 and is now in the Senate.

We strongly believe this is the right approach and support the CEPIP program. We ask for your assistance to provide full funding in the 2012 investment plan.

Please do not hesitate to contact us if we can answer any questions. We look forward to your reply.


Sincerely,



Richard S. Gordon, 21st AD



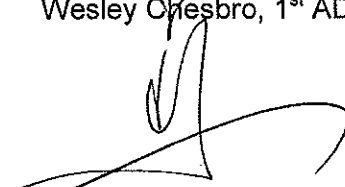
Wesley Chesbro, 1st AD



Nancy Skinner, 14th AD



Felipe Fuentes, 39th AD



Fiona Ma, 12th AD

