



California Energy Commission  
1516 Ninth Street  
Sacramento, CA 95814-5512

October 28, 2013

Re: **13-IEP- 1A “Draft 2013 IEPR”**

California Biodiesel Alliance Comments

Dear Commissioners and Staff,

The California Biodiesel Alliance (CBA) is a not-for-profit trade association promoting the increased use and production of high quality, renewable biodiesel fuel in California. CBA membership includes California producers, feedstock providers, marketers and other stakeholders.

In general we found that there were some factual errors that we would like staff to correct concerning biodiesel. We are also quite concerned that there are still no metrics or analytical rationale reported in the AB 118 Benefits Section of this draft report as specifically required in AB 109, which we had also noted in our comments at the IEPR Workshop on July 31, 2013.

In the Biofuels Production section we appreciate that you acknowledge working with CBA but in that spirit we would request that you use the information that we provide to you. Specifically:

- In chapter 3, Bioenergy Status and Issues, on page 63 of the Draft IEPR it states that there “was an installed capacity of over 80 million gallons per year of bio- and renewable diesel production in California.” We believe that number is almost double the reality and stated in our white paper submitted on September 17, 2012 that there was 46 Mgy of biodiesel capacity and this number came from extensive research within our industry.
- On page 64 the document states, "While biodiesel can contribute toward reducing the carbon intensity of California's transportation sector, production costs continue to be a major challenge." This is incorrect and we have discussed this with staff.
- Also on page 64, there is a statement that “Biodiesel from algae has long been considered a promising alternative fuel...” We would like to remind staff that biodiesel made from any feedstock is still biodiesel. There is much work being done to develop algal feedstocks and we support those efforts, but biodiesel is an advanced biofuel that is making a critical contribution to the success of LCFS today, and will continue to do so for many years to come. We think it’s equally critical that staff recognize this contribution as your colleagues at ARB have.



- Once again, in the Recommendations section under Biofuels, it states that: "The Energy Commission should continue research and development needed to reduce the cost of algal-based and other advanced biodiesel fuels." I'd again like to remind staff that biodiesel is the first advanced biofuel and the most readily and abundantly available in the US. Producing biodiesel from algae does not make it "advanced". The fact is that Biodiesel is an advanced biofuel and it is available now and has very low CI values when made from used cooking oil, corn oil, animal fats, and other waste-based feedstocks. State support and funding for expansion of in-state production is what is needed, along with support and funding for the development of in-state low carbon purpose grown energy crops and distribution infrastructure for California domestic production.

In Chapter 8, Transportation Energy, the first section is on the ARFVT Program. Once again, the commission has failed to present or even discuss any metrics. The ARFVT Program requirement that the Commission use metrics to determine funding criteria is not just a good idea – it's the law.

- HSC 44272(c) – States that the Commission shall provide preferences to those projects that maximize the goals of the ARFVT Program, based on the following criteria (and then lists 11 specific criteria including: Petroleum reduction and measurable transition to alt fuels, climate change policy and LCFS, at least 10% lifecycle GHG reduction, air and water pollutants reduction, sustainability of state natural resources, promotion of California businesses and the jobs we create, as well as the use of existing or proposed fueling infrastructure – *Biodiesel meets and exceeds all of these criteria.*
- HSC 44272.7(d) – States that it is the intent of the legislature that the investment plan will provide an **analytical rationale** for all proposed expenditures that aligns with the broader strategic goals for the program, and will update, highlight and explain the rationale for any year-over-year changes to the program strategy and priorities, and provide the legislature with all of the necessary information to fully understand how and why funds are to be allocated and prioritized within the program. *CBA respectfully would like to know why there are no metrics available that would provide this analytical rationale.*

On page 181, the "Benefits of the ARFVT Program" section refers to AB 109, which amended AB 118 to require the Energy Commission to include an evaluation of projects funded by the ARFVTP in the IEPR. There is no mention that the commission is required to provide an analytical rationale. It only mentions an evaluation of "expected benefits..." This is not what the legislations says, and is very concerning to CBA.

There is discussion of contracting with NREL to develop a methodology to calculate expected benefits to 2025, which is different than what we had been indicated earlier – that RAND had been contracted to provide metrics on existing projects. We would like to know when



and why this change was made and what the status of any deliverables from them is.

In the Transportation Energy Trends section under Diesel Substitutes (Biodiesel and Renewable Diesel) the data seems to have been corrected from the early errors in the Biofuels Production section of Chapter 3, so we note those discrepancies from one chapter/section to another within this draft IEPR. However, it also states, that "biodiesel is generally splash-blended at diesel fuel distribution centers," which is no longer the case. There are multiple terminals injection blending biodiesel at the rack, and that number is growing rapidly. Also, later in this same section (same page 192) it states that "biodiesel can be safely used at various 5 percent blend levels," but it should be noted that 20% blends are also widely accepted in almost every commercial class of diesel vehicles, and many light duty diesels as well.

On page 199, "Challenges to Achieve Alternative fuel Growth Potential and Ensure an Adequate Transportation Energy System", we think it's very important to identify biodiesel storage and blending terminals as well as retail sites such as truck stops and travel centers, which can facilitate distribution of in-state production. This has been removed from funding consideration and we feel there are specific instances where they can be very helpful in achieving much higher blend levels of biodiesel and implementation of its carbon- and petroleum- reducing potential. These would not include funding for rail or port infrastructure since those distribution businesses are capable of funding their own development without state assistance.

The CBA looks forward to continuing to work with Energy Commission staff and hopes that you will seriously consider these recommendations and integrate them into the final version of the 2013 Integrated Energy Policy Report.

Respectfully submitted,

A handwritten signature in dark ink, appearing to read "Joe Gershen", followed by a long horizontal flourish.

Joe Gershen  
Vice Chair  
California Biodiesel Alliance