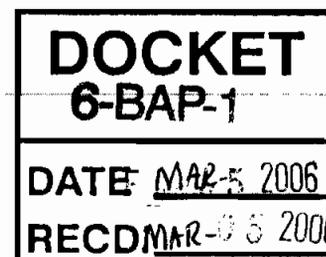


Docket Optical System - Comments on the Bioenergy Action Plan, Docket 06-BAP-1

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Subject: Comments on the Bioenergy Action Plan, Docket 06-BAP-1



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First, I would like to thank Commissioner and Chair James D. Boyd, and all members of the Bioenergy Interagency Working Group for coming together and bringing this important issue to the table.

Increased utilization of bioenergy can only be viewed as a positive step for California, the US and all the worlds' citizens as we move forward towards an uncertain energy future. California must take positive actions to reduce barriers that inhibit growth and utilization for bioenergy in the state. Further, California must continue in its leadership role to develop technology, the agricultural base, across the board access, and use of bioenergy.

I would like to make comments on the following items in the Action Plans.

Tier 1 Action for 2006

1. f, 3) Immediately resolve the barriers to permitting the installation of E-85 retail pumps. The CEC, ARB and the pump manufacturers must come together and provide E-85 equipment which can be installed now. It is ludicrous to have over 300,000 E-85 ready vehicles registered in the state and have only one retail E-85 pump.

1. f, 4) Amend the CA Business and Professional Code, Section 13450(a) which requires that all diesel fuel sold in the state "shall meet the specifications set forth in ASTM D-975", this is the standard for distillate petroleum fuels. Biobased fuels such as Biodiesel clearly are not petroleum products and thus are being restricted from public access and greater utilization. This barrier could be removed by authorizing the CA Division of Measurement Standards to use the ASTM Standard D-6751, Biodiesel Fuel (B100) Blend Stock for Distillate Fuels as a provisional standard for biodiesel used as a fuel.

Direct that the Division of Measurement Standards, through the local Weights and Measures Departments enforce the requirements that all biodiesel sold in the state comply with ASTM-6751.

1. h. Direct the California Department of Food and Agriculture to research and promote oil bearing crops which will benefit the states agricultural base. Oil crops can be grown in marginal soils, reduce contaminates such as selenium and provide replacement cash crops for farmers who are effected by international market factors beyond their control. As crops such as cotton become unviable, shifting to energy producing crops will retain our agricultural base.

3. b, 3) Sales tax reduction for biodiesel blends up to B10 and removal of sales taxes for higher blends have created broad based consumer demand and acceptance for biodiesel in the state of Illinois. Duplicating such a successful program in California will have positive results. Although a mandated requirement to use a blend of biodiesel (such as B2) will have some effect, the "carrot before the stick" approach has a much greater impact on the public's acceptance and utilization for biofuels.

One way to incentivise the production of biodiesel in California from state sourced materials would be to use a reduction in the state excise tax which would only apply to biodiesel made in California from Californian products. The increased economic benefit in agriculture and production would offset the reduced revenue from excise tax collections.

Ideally with the reduced/removed sales taxes and the reduced excise tax, California biodiesel would establish price parity with petroleum diesel fuels. This would remove one great barrier to the greater acceptance and utilization of biodiesel in the state.

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