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**Sent:** Wednesday, August 26, 2009 1:47 PM  
**To:** Zhang-Tillman, Christina@ARB; O'Brien, Greg@ARB  
**Subject:** Follow up comments from today's CRT Working Group Meeting

Christina/Greg,

Thank you for the opportunity to participate in today's workgroup. I thought I would take a moment to just recap in writing some of the points I made or thought of since you were receiving a lot of information at one time from all directions. Please let me know if you have any questions or would like me to expand on any of these topics.

**Product Transfer Documents:** The reporting would be streamlined significantly if CRT employed a similar model to the EPA whereby the data contained on the PTD may be transmitted in the raw data form (presumably .XML in this case) as opposed to requiring an image of the original document.

**Tracking of CI values\RINS on a gallon specific basis:** The apparent tie between the CI value/RIN and the specific fuel it was generated with poses a significant and unique constraint on the tracking and reporting process which does not exist at the federal level. Your proposal, as I understand it, closely models the original process outlined by the EPA in their Notice Of Proposed Rulemaking for RFS1. It basically requires the CI value (or RIN in the case of the EPA) to maintain its identity with the fuel from the point of production through the point of reaching a compliance obligation. In theory, that sounds like a logical process. At a practical level though, the administrative burden and complexity of trying to keep track of specific gallons in a commingled system is extraordinary. I still have some presentation materials that we prepared when going through the issue with the EPA that I'd be happy to share if you'd like additional explanation of what makes this theory so problematic. If I misunderstood the LCFS requirement, please let me know.

**Detailed versus summary reporting:** The potential is significant for a reconciliation nightmare from not requiring all parties to report at the lowest level of detail possible. At the least, the parties on each side of a transaction should be required to report it at the same level of detail.

**Trading partner identification:** While I can appreciate ARB's need for single or double-blind credit trading scenarios, I agree with Clayton that a very high percentage of the transactions will not require that treatment. My confidence in the high volume is based on the understanding that the reporting for the ethanol will be at a PTD level which will result in a high number of low volume submissions. Anyway, our suggestion would be that ARB allow for trading partner identification in the import .XML schema, but not require the fields. That way, counterparties not seeking to mask their identity have the option of submitting information which should ease the compliance process.

**Import functionality:** It sounds like there still may be a fair amount of flexibility in the development of the Import feature in the CRT. The requirement of having to log in to your web interface to 'confirm' each load for each regulated party, removes a large amount of the efficiency gain that's seen from the automation process. Given that the import tool is presumably going to require some sort of digital signature\secure access prior to loading files to a company's report, we would encourage the ARB to consider allowing those files to post directly to the CRT system. This would be consistent with the EPA's practice under the RFS, and since regulated parties are used to verifying their compliance data prior to submission to the regulatory body, the risk of errors being introduced that would have otherwise been caught is low.

**Reporting options:** I presume your system allows this, but it's always safer to ask. As an ethanol marketer, we perform a number of services for the plants we sell for. One of those is similar to what Clayton does with RINSTAR where he/we make compliance submissions on behalf of the plants since they do not have the technological resources to do it on their own. Do you have provisions for that to occur within CRT and if so, would it require separate files or could the data be imported across entities?

Thanks



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