ADVANCED BIOENERGY

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August 19, 2011

Re: Method 2A Application- Excluding Confidential Business Information

California Air Resources Board
Stationary Source Division
Criteria Pollutants Branch - 6th Floor
1001 I Street
P.O. BOX 2815
Sacramento, CA 95812

To: The Executive Officer

Herewith, please find our application and supporting documents for a fuel lifecycle GHG emissions pathway using the Method 2A application process described in "Establishing New Fuel Pathways under the California Low Carbon Fuel Standard Procedures and Guidelines for Regulated Parties" report by ARB (California Air Resources Board) issued on March 25, 2010.

We seek a pathway for our ABE – South Dakota, LLC ("ABE Aberdeen") ethanol plant located near Aberdeen, South Dakota. At our facility, we produce ethanol with a modern, ICM designed corn ethanol dry mill from locally grown corn. Our facility uses natural gas for its process energy and electricity from the local grid. Approximately 84% of our distillers grains co-product is dried distillers grains solubles (DDGS) and the remainder is wet distillers grains solubles (WDGS) with a typical moisture content of 67% by weight.

The CARB LCFS regulations stipulate that only pathways lower in carbon intensity value than the main pathway that they deviate from can use the Method 2A application. Our pathway is a sub-pathway of the Corn Ethanol (Midwest; Dry Mill; Dry DGS, NG) Pathway because, except for the points of deviation summarized below, our pathway is identical to the Corn Ethanol (Midwest; Dry Mill; Dry/Wet DGS, NG) Pathway described in the Detailed California-Modified GREET Pathway for Corn Ethanol Well-to-Wheel (WTW) lifecycle analysis.[1]

[1] Detailed California-Modified GREET Pathway for Corn Ethanol Well-to-Wheel (WTW) lifecycle analysis, Version 2.1, published February 27, 2009.

We have used the CA-GREET Model 1.8b to calculate the lifecycle greenhouse gas emissions from this sub-pathway. Based on the input changes to the model described in the attachments, the carbon intensity value of this new pathway is 90.89 gCO2e/MJ. This CI intensity value and our production volumes more than meet the "5-10" substantiality rule and the other requirements of a new pathway.

The following sections to this application provide the details and documentation of our application for a new pathway under Method 2A. Portions of the following information that we consider Confidential Business Information have been clearly marked as such, *but are not included in this non-confidential version of the application. In this version of the application, the points where elements of Confidential Business Information have been removed from the text or accompanying tables are indicated so as to inform the public that the complete application to the ARB contained additional information to support this application, but that such information is considered by us to be Confidential Business Information.*

We request your approval and would be glad to answer any questions you may have about our application. Following please find the names and contact information of the persons who are available to answer any questions about our application. Please note that Houston BioFuels Consultants, LLC are assisting us with the application and may be contacted if you have questions or comments about our application

Affiliation:	Advanced BioEnergy, LLC	Houston BioFuels Consultants, LLC
Name:	Ty Weisendanger	Mr. Logan Caldwell, Consultant
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ABE SOUTH DAKOTA, LLC

By: Richard Peterson
Its: CEO

Attachments

Attachments

Section Number and Contents

I. WTW Diagram of Advanced BioEnergy Aberdeen Sub-Pathway of the Corn Ethanol (Midwest; Dry Mill; Dry DGS, NG) Pathway

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I. WTW Diagram of Advanced BioEnergy Aberdeen Sub-Pathway of the Midwest Corn Ethanol Pathway

Figure 1: WTW Components of the Advanced BioEnergy Aberdeen Pathway are Identical to the Corn Ethanol (Midwest; Dry/Wet Mill; Dry DGS, NG) Pathway[2]

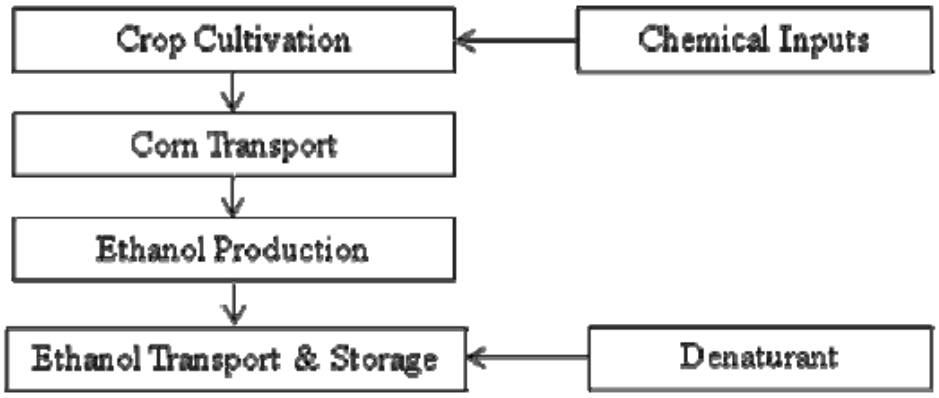


Figure 1. WTT Components for Ethanol Transported to California

[2] Detailed California-Modified GREET Pathway for Corn Ethanol Well-to-Wheel (WTW) lifecycle analysis, Page 4, Version 2.1, published February 27, 2009.

II. Advanced BioEnergy Aberdeen Plant Information - Confidential Business Information

Advanced BioEnergy Aberdeen Plant Info

1. EPA Facility ID Number - 70104
2. Plant Location – Aberdeen, South Dakota
3. History – The original Broin plant (9,000,000 denatured nameplate capacity) was started up in November of 1992. The adjoining ICM plant (40,000,000 denatured nameplate capacity) was started in January of 2008.
4. Capacity Notes – 49,000,000 gallons denatured nameplate capacity annually (Permitted to 61,000,000 mm gallons annually of undenatured)
5. Technology – Broin/ICM
6. Feedstock Type - Corn
7. Product – Denatured Ethanol
8. Co-Products – DDGS, WDGS
9. Process fuel – Natural Gas
10. Power supply – Local Electric Grid
11. Process Flow Description – please refer to the following diagram. The following description and diagram of the dry mill process is from the ICM Inc. web site.

Delivery/Storage
Grain is delivered by truck or rail to the ethanol plant where it's loaded in storage bins designed to hold enough grain to supply the plant for 6-8 days.

Milling
The grain is screened to remove debris and ground into course flour.

Cooking (Hot Slurry, Primary Liquefaction, and Secondary Liquefaction)
During the cook process, the starch in the flour is physically and chemically prepared for fermentation.

Hot Slurry
The milled grain is mixed with process water, the pH is adjusted to about 5.8, and an alpha-amylase enzyme is added. The slurry is heated to 180–190°F for 30–45 minutes to reduce viscosity.

Primary Liquefaction
The slurry is then pumped through a pressurized jet cooker at 221°F and held for 5 minutes. The mixture is then cooled by an atmospheric or vacuum flash condenser.

Secondary Liquefaction
After the flash condensation cooling, the mixture is held for 1–2 hours at 180–190°F to give the alpha-amylase enzyme time to break down the starch into short chain dextrins. After pH and temperature adjustment, a second enzyme, glucoamylase, is added as the mixture is pumped into the fermentation tanks.

Simultaneous Saccharification Fermentation
Once inside the fermentation tanks, the mixture is referred to as mash. The glucoamylase enzyme breaks down the dextrins to form simple sugars. Yeast is added to convert the sugar to ethanol and carbon dioxide. The mash is then allowed to ferment for 40-50 hours, resulting in a mixture that contains about 15% ethanol as well as the solids from the grain and added yeast.

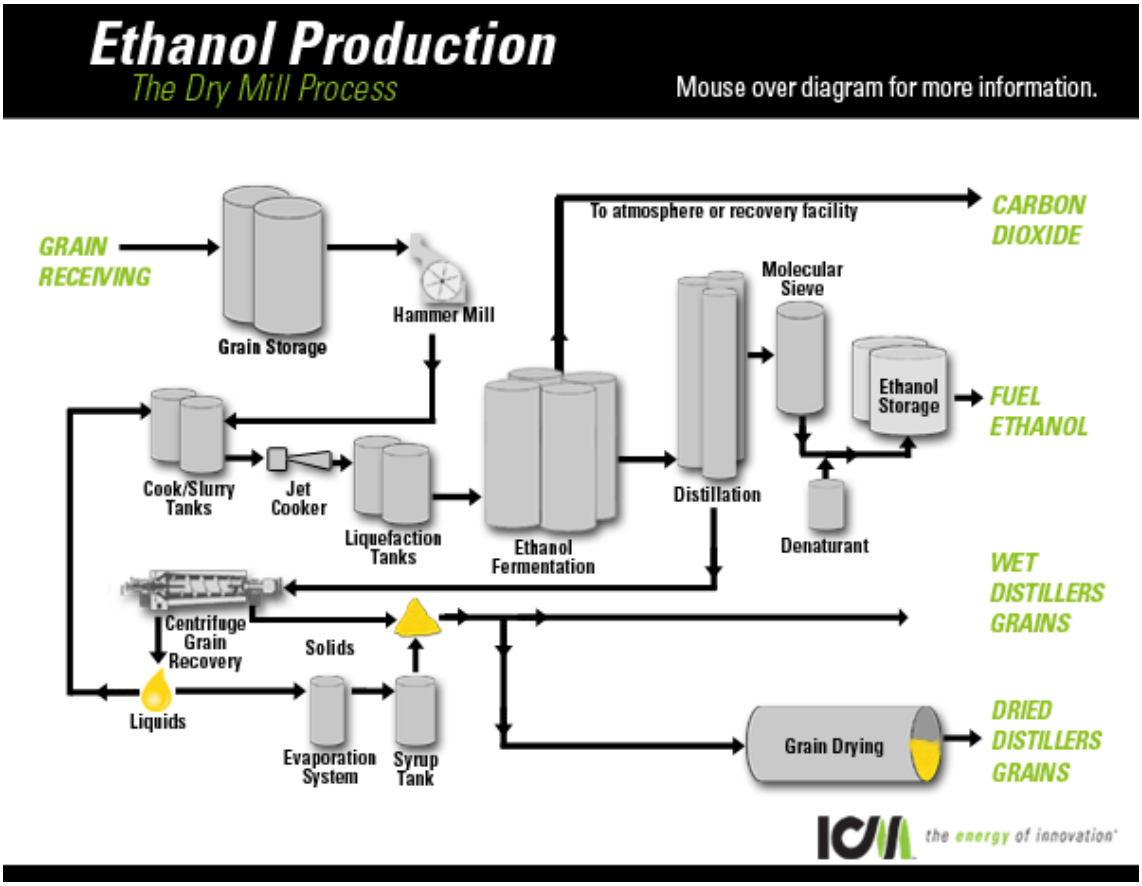
Distillation
The fermented mash is pumped into a multi-column distillation system where additional heat is added. The columns utilize the differences in the boiling points of ethanol and water to boil off and separate the ethanol. By the time the product stream is ready to leave the distillation columns, it contains about 95% ethanol by volume (190-proof). The residue from this process, called stillage, contains non-fermentable solids and water and is pumped out from the bottom of the columns into the centrifuges.

Dehydration
The 190-proof ethanol still contains about 5% water. It's passed through a molecular sieve to physically separate the remaining water from the ethanol based on the different sizes of the molecules. This step produces 200-proof anhydrous (waterless) ethanol.

Ethanol Storage
Before the ethanol is sent to storage tanks, a small amount of denaturant is added, making it unfit for human consumption. Most ethanol plants' storage tanks are sized to allow storage of 7–10 days' production capacity.

12. Process Block Flow Diagram

Source: ICM Inc.



13. Energy and Material Balance - **Confidential Business Information**

For legibility, the material and energy balance for the ABE Aberdeen ethanol plant is contained in a separate pdf file accompanying the electronic version of this application and is a separated document in the printed, hard copy version of this application**. However, because it contains Confidential Business Information, it is not included in this non-confidential version of the application.**

14. In a separate document/electronic file accompanying this application due to its size, please find the latest version of the plant's air permits. These permits contain information about the equipment in the plant that generates emissions from the combustion of fuel.

15. III. Table of CA-GREET Model Inputs for Advanced BioEnergy Aberdeen Pathway

Table 1: CA-GREET Model Inputs for the Advanced BioEnergy Aberdeen Pathway

CA-GREET Model Sheet Name	Cell number	Default Pathway Value	ABE Aberdeen Pathway Value	Units	Description	Comments
Fuel_Prod_TS	L277	36,000	**Confidential Business Information**	btu/gal	Corn Ethanol Plant Energy Use, Dry Mill	With modern plant, lower power use
Fuel_Prod_TS	D277	2.72	**Confidential Business Information**	gal/bu	Ethanol yield of Corn Ethanol Plant, Dry Mill	With modern plant, optimized yield
Inputs	C247	10.19%	**Confidential Business Information**	%	Share of process energy for Electricity	With modern plant, lower power use
Inputs	C254	32,330	**Confidential Business Information**	btu/gal	Process fuel	Shown here for reference only. This cell is calculated based on cell L277 in Fuel_Prod_TS and Inputs C247
Inputs	C258	1.08	**Confidential Business Information**	kwh/gal	Electricity used for ethanol production	Shown here for reference only. This cell is calculated based on cell L277 in Fuel_Prod_TS and Inputs C247

IV. Basis for the Input Values - Confidential Business Information

The input values presented in this application are based on the period from July 2010 through June 2011, the "Production Period".

Table 2: Calculation of the Input Values

Table 2 is considered Confidential Business Information and is not included in this non-confidential version of the application.

V. CA-GREET Model Output and Analysis of Results

The Advanced BioEnergy Aberdeen pathway carbon intensity value is a sub-pathway of the Midwest, Dry-Mill, 100% DDGS Co-product, 100% natural gas fuel ethanol plant pathway. The carbon intensity value of the base pathway is 98.4 gCO2e/MJ. The carbon intensity value of the Advanced BioEnergy Aberdeen ethanol plant ethanol is 90.89 gCO2e/MJ.

Table 3: CI of Existing Midwest Dry Mill, 100% DDGS, 100% Natural Gas Fuel Pathway

CARB Lookup Table Reference Pathway: Midwest Dry Mill Ethanol Plant, 100% DDGS, NG Fuel Pathway							
		CA-GREET Model Output					
	IPPC factors	Corn	Ethanol	Calculations to convert Output to g/CO2e/MJ			
	gCO2e/g	*Btu or Grams per mmbtu of Fuel Throughput*				gCO2e/mmbtu	**gCO2e/MJ**
		US Avg Corn	100% DDGS	Corn w/loss	Total corn + EtOH		
Total energy		187,247	1,469,428	187,342	1,656,770		
VOC		16.8	55.5	17	72		
CO		151.3	31.4	151	183		
CH4	25	17.4	73.7	17	91	2,276.8	2.16
N2O	298	41.7	0.4	42	42	12,564.9	11.91
CO2	1	15,064	41,354	15,071	56,426	56,425.9	53.48
Sub-total lifecycle CI before denaturant and lt. vehicle combustion						71,267.6	67.55
Denaturant and lt. vehicle combustion effects factor							0.80
Total Lifecycle CI before ILUC with denaturant and lt. vehicle combustion effects included							68.35
Indirect Land Use Change Factor (ILUC)							30
Total CI of Pathway including Indirect Land Use Change							98.35

Note: The calculated result of this pathway prior to making the input changes for the ABE Aberdeen ethanol plant is 67.55 gCO2e/MJ. This matches the Corn Ethanol WTW Analysis result of 67.6 gCO2e/MJ (Table B. GHG Emissions Summary for Dry and Wet Mill Corn Ethanol, page 5) before the denaturant and light vehicle combustion factor of 0.8 gCO2e/MJ is added.

Table 4: ABE Aberdeen, South Dakota Ethanol Plant CI Calculation based on the CA-GREET Model Output

ABE Aberdeen Ethanol Plant Sub-Pathway of the Midwest Dry Mill Ethanol Plant, 84% DDGS/16% WDGS, NG Fuel Pathway							
		CA-GREET Model Output					
	IPPC factors	Corn	Ethanol	Calculations to convert Output to g/CO2e/MJ			
	gCO2e/g	*Btu or Grams per mmbtu of Fuel Throughput*				gCO2e/mmbtu	**gCO2e/MJ**
		US Avg Corn	84% DDGS/16% WDGS	Corn w/ loss	Total Corn + EtOH		
Total energy		187,192	1,362,322	187,287	1,549,609		
VOC		16.763	54.681	17	71		
CO		151.232	25.734	151	177		
CH4	25	17.395	61.322	17	79	1,968.1	1.87
N2O	298	41.731	0.315	42	42	12,536.1	11.88
CO2	1	15,059	33,829	15,067	48,896	48,895.7	46.35
Sub-total lifecycle CI before denaturant and lt. vehicle combustion						63,399.9	60.09
Denaturant and lt. vehicle combustion effects factor							0.80
Total Lifecycle CI before ILUC with denaturant and lt. vehicle combustion effects included							60.89
Indirect Land Use Change Factor (ILUC)							30
Total CI of Pathway including Indirect Land Use Change							90.89

VI. Production Range of Advanced BioEnergy Aberdeen Pathway

The new pathway should be applicable to the Advanced BioEnergy Aberdeen facilities for at least 80% (39,202,685 gallons/year) to 127.66% (62,557,686 gallons/year) of denatured ethanol Nameplate Capacity.

The upper end of the production range is on a denatured ethanol basis, since that is the specification for fuel ethanol sold from the plant. This upper end aligns with the plant's maximum Air Permit production level of 61,000,000 gallons of denatured ethanol with a maximum allowable denaturant eligible for the volumetric ethanol excise tax credit (VEETC) of 2.49%volume.

ADVANCED BIOENERGY

August 19, 2011

Re: Method 2A Application/Production Range

California Air Resources Board
Stationary Source Division
Criteria Pollutants Branch – 6th Floor
1001 I Street
P.O. Box 2815
Sacramento, CA 95812
To: The Executive Officer

This new pathway application submitted is valid to the ABE – South Dakota, LLC's Aberdeen facility for at least 80% (39,202,685 gallons) to 127.66% (62,557,686 gallons*) of denatured nameplate capacity. The energy consumption per gallon produced will be equal to or less than the values in this pathway over the specified range.

*The upper range stated is on a denatured basis at the maximum allowable of 2.49%. This will align with our maximum Air Permit level of 61,000,000 gallons on undenatured production.

Grant H. Johanson

VP – of Operations
Advanced BioEnergy, LLC

VII. Sustainability of Advanced BioEnergy Aberdeen Pathway

The Advanced BioEnergy Aberdeen facility was designed and constructed using well-established modern designs and equipment and is managed by professional staff well-qualified to assure that over time the energy efficiency of and emissions from the facility do not deteriorate. Any deterioration would result in a less profitable business. Thus the sustainability of the plant is well aligned with the business objectives of the owners.

VIII. Impact on Land Use

There is negligible difference between the land use of this sub-pathway and that of the Corn Ethanol (Midwest; Dry Mill; Dry DGS, NG) Pathway described in the Detailed California-Modified GREET Pathway for Corn Ethanol Well-to-Wheel (WTW) lifecycle analysis.[3].

[3] Detailed California-Modified GREET Pathway for Corn Ethanol Well-to-Wheel (WTW) lifecycle analysis, Version 2.1, published February 27, 2009.

IX. Documents supporting Annual Quantities of Ethanol, Natural Gas and Power –

Table 5: Summary of Inputs and Outputs during Production Period
and the 12 months prior to the Production Period

Table 5 is considered Confidential Business Information and is not included in this non-confidential version of the application.

Table 6: Summary of the Monthly Natural Gas Invoices

Table 6 is considered Confidential Business Information and is not included in this non-confidential version of the application

Documents authenticating the amounts shown in the tables above are included on the following pages. **Because these documents contain confidential business information, they are not shown in this non-confidential version of the application support document.**

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August 10, 2011

California Air Resources Board
Stationary Source Division
Criteria Pollutants Branch - 6th Floor
1001 I Street
P.O. BOX 2815
Sacramento, CA 95812

Re: ABE South Dakota, LLC - Aberdeen Ethanol Plant Method 2A New Pathway Application – Accuracy of Data in New Pathway Application

This is to certify that the quantities of corn, undenatured ethanol, distillers grains solubles, corn oil and utilities summarized in the ABE South Dakota, LLC - Aberdeen ethanol plant application for a new pathway are true and accurate. These quantities represent the true and accurate production, feedstock use, and utility consumption of our plant located at 38469 133rd Street, Aberdeen, South Dakota, and owned by ABE South Dakota, LLC.

Regards,

Richard Peterson
Advanced BioEnergy, LLC
CEO