

Application for the Establishment of a New Fuel Pathway under the California Low Carbon Fuel Standard

Instructions

Use the form below to apply for a new or modified fuel pathway under the Method 2A and 2B provisions of the California Low Carbon Fuel Standard (LCFS). Submittal of this form initiates the formal pathway evaluation process. Because that process is subject to strict time constraints, prospective applicants should discuss their proposals with Air Resources Board (ARB) staff prior to submitting a completed application form. Staff will advise potential applicants on the documentation that must be submitted along with this form. A list of LCFS Method 2A/2B staff contacts appears in the final section of this document. Submission of an incomplete application packet will result in delays, which could in turn lead to denial. This application form is to be submitted as a cover sheet to the full Method 2A or 2B application packet. A general list of the types of supporting information that must be submitted with a 2A/2B application appears in Section IV, of the application form.

The full method 2A/2B application process is described in detail in a document entitled *Establishing New Fuel Pathways under the California Low Carbon Fuels Standard*. This is available at:

<http://www.arb.ca.gov/fuels/lcfs/012010newguideline.pdf>

Lifecycle analysis reports included with Method 2A/2B application packets should be similar in format, content, and scope to those already approved under the LCFS. Examples of approved life cycle analyses can be found at

<http://www.arb.ca.gov/fuels/lcfs/workgroups/workgroups.htm#pathways>

Applicants may designate portions of their submittals as trade secrets. All information so designated will be treated in accordance with 17 CCR §§ 91000-91022 and the California Public Records Act. In deciding on what information to designate as secret, applicants must consider the public nature of the rulemaking process. New and modified pathways can be approved only if enough information is available publicly to justify that approval.

Method 2A and 2B Application Form

I. Application Submission Date: 12/10/2010

II. Company Contact Information

a. Company Name: US Energy Partners, LLC

b. Mailing Address:

Address Line 1	1224 E 15 th
Address Line 2	
City	Russell
State/Province	KS
Zip/Postal Code	67665

c. Main Company Phone Number: 785-445-3700

d. Secondary Company Phone Number: 785-483-1090

e. Fax number:

f. Company Web Site URL: White Energy.com

g. Primary Method 2A/2B Contact Person:

Name: Ron Dunbar

Position/Title: VP of Ethanol Manufacturing

Email Address: rdunbar@white-energy.com

Office Phone Number: 806-360-7409

Mobile Phone Number: 785-817-0882

Fax Number: 806-360-7459

h. Consultant/Third Party Application Preparer:

Name: Tom Darlington

Position/Title: President

Affiliation/Firm: Air Improvement Resource, Inc.

Email Address: tdarlington@airimprovement.com

Office Phone Number: 248-380-3140

Mobile Phone Number: 248-921-5096

Fax Number: 248-380-3146

Consulting entity's web site URL: airimprovement.com

- i. LCFS Reporting Tool Organization ID code (if known):
- j. U.S. Environmental Protection Agency (U.S. EPA) Company ID (if known):
- k. U.S. EPA Facility ID (if known): 70038

III. Pathway Information

- a. Pathway application type. Applicants are encouraged to discuss their pathway application types with ARB staff before proceeding. Please check one box only.

Method 2A: Sub-pathway Method 2B: New Pathway

- b. Brief description of proposed pathway. Please emphasize the important innovations and/or distinctive characteristics associated with the proposed pathway or sub-pathway

The Russell facility utilizes sorghum and a waste wheat slurry as feedstocks to produce ethanol and wet DGS. Details of the operation are given in the report "Lifecycle Emissions of White Energy's Russell Sorghum to Ethanol Plant", December 28, 2010.

We are also requesting registration with dry DGs and modified DGs. The details are also discussed in the above report.

c. For Method 2A Applications only:

1. Reference pathway (Existing fuel pathway to which the proposed new sub-pathway is most closely related). The carbon intensity of the reference pathway must be higher by at least 5 gCO₂e/MJ than the carbon intensity of the proposed pathway described in this application. Show all pathway information exactly as it appears in the LCFS Lookup Table:

Fuel:

Pathway Description:

Carbon Intensity Values (gCO₂e/MJ):

Direct Emissions:

Land Use or Other Indirect Effect:

Total:

2. Compositional differences (if any) between the fuel produced by the new sub-pathway and the reference pathway identified in item c, 1, above).

--

d. Final carbon Intensity of the proposed pathway or sub-pathway:

Carbon Intensities of Russell Plant at Different Wheat Slurry Fractions (includes land use effect)					
	Wheat Slurry Fraction				
	15%	20%	25%	30%	35%
Wet DGs	69.36	66.16	62.96	59.76	56.56
Dry DGs	77.66	74.46	71.26	68.06	64.86
Modified DGs	71.66	68.46	65.26	62.06	58.86

- e. Annual volume of fuel that would be produced using the proposed new pathway (millions of gallons per year [MGY]): 51
- f. Annual volume of fuel produced using the proposed new pathway that would enter the California market: 50%
1. This production volume is expected to be achieved within how many years from the start of production? Immediately
 2. Does the applicant expect this volume to be achieved by a single or by multiple facilities?

A single facility Multiple facilities
 3. If the applicant expects this volume to be achieved by multiple facilities, would all facilities be owned by a single firm?

Single firm Multiple firms
- g. Lower Heating Value of the fuel to be produced from the new pathway (megajoules per gallon): 80.53 (neat)
- h. The range of production volumes over which the proposed pathway carbon intensity value is valid. The values reported below must be supported in the documentation accompanying this application.

	Fuel Volume	Units (gallons; litres; joules, etc.)
Lower bound of production volume range	10 million	Gallons
Upper bound of production volume range	55 million	Gallons

- i. Please provide any information that may be helpful in determining the land use change impacts (if any) of the proposed pathway. Although it is ARB's responsibility to perform all land use change impact analyses, the applicant may provide any information that may be useful to the ARB in completing that analysis.

CARB is proposing for the time being to use the same land use change associated with corn (currently 30 g/MJ) for sorghum as well. But the Russell facility uses a fraction of its feedstock from sorghum, the remainder is a waste wheat slurry with no land use change. Thus, the land use change for this plant is a function of the % of wheat slurry in the feedstock. This is discussed further in the Lifecycle Report.

IV. Application Submittal Checklist. Listed below are the documents and files that may be submitted in support of a method 2A/2B application. Check the box to the left of each document or file type included in your submittal. After each submittal category is a check box labeled "includes trade secrets." Check that box if the submittal category contains any information the applicant considers to be a trade secret. In the actual submittal, the specific information falling into the trade secret category must be clearly marked. Additional information regarding the submission of trade secrets can be found in the Instructions above.

- Pathway life cycle analysis report (required).
 Includes trade secrets
- CA-GREET model results (please submit the full CA-GREET spreadsheet) (required).
 Includes trade secrets
- All operating permits issued by the local air pollution control authority (required)
- One or more process flow diagrams covering the complete production process, including all inputs (feedstocks, process energy, etc.) and outputs (finished fuel, co-products, wastes, etc.) (required).
 Includes trade secrets
- A comprehensive list of all stationary combustion-powered equipment associated with the production facility. List entries should name the equipment, briefly describe its function, identify

the fuel or fuels used, and quantify fuel use on a per-gallon-of-finished-fuel-produced basis (required)

- Includes trade secrets*
- Equipment technical specifications
 - Includes trade secrets*
- Production process schematics, technical drawings flow diagrams, maps, or other graphical representations (other than/in addition to the required process flow diagram)
 - Includes trade secrets*
- Engineering reports
 - Includes trade secrets*
- Technical papers or journal articles
 - Includes trade secrets*
- Emissions monitoring data or emissions modeling results
 - Includes trade secrets*
- Spreadsheets, data files, and similar files documenting the calculations behind the fuel life cycle analysis
 - Includes trade secrets*
- Other: In the space below, describe any additional submittals. Rationales for documents submitted or omitted may also be provided.
 - Includes trade secrets*

The file "Russell Proof.pdf" includes the following documents:

Sorghum usage
Utilities usage
Ethanol sold
Distillers grains sold
Air quality permit

All of the documents except the air quality permit are considered confidential.

We are also including the spreadsheet "Russell_CI", which estimates the change in the CI of the Russell plant with slurry fraction.

V. ARB Method 2A and 2B Application Process Contacts

Name	Phone Number	E-mail Address
John Courtis	916-323-2661	jcourtis@arb.ca.gov
Wes Ingram	916-327-2965	wingram@arb.ca.gov
Chan Pham	916-323-1069	cpham@arb.ca.gov
Kevin Cleary	916-323-1009	kcleary@arb.ca.gov
Alan Glabe	916-323-2416	aglabe@arb.ca.gov