



October 3, 2014

Katrina Sideco  
Air Resources Engineer, Fuels Section  
California Air Resources Board  
1001 I Street  
Sacramento, CA 95814

Dear Ms. Sideco,

I am writing to express my support for ARB's outlook that sufficient low carbon fuels will be available for LCFS compliance as discussed at the meeting on September 25, 2014. ARB described the wide range of alternative fuels have contributed to the LCFS to date. These fuels include biofuels with modest reductions in GHG emissions as well as residues with low Carbon Intensities.

The next phase of LCFS implementation will need to include advanced biofuels in order for the program to expand fuel production potential. Advanced biofuels such as cellulosic ethanol provide the opportunity for over double the fuel yield per acre compared to conventional corn or sugarcane ethanol with lower land use impacts. A number of California based projects will be producing ethanol on marginal land or from advanced technologies. The near term plans for projects in California include over 100 million gallons of low CI ethanol from energy cane, sugar beets, and sugar cane. These fuel production resources should be highlighted in the ARB's follow up assessment of fuel availability.

Canergy is currently permitting and planning to construct and operate a cellulosic ethanol biorefinery in Imperial County, California. Canergy's primary feedstock will be energy cane, a highly fibrous form of sugarcane, whose high content of cellulose (glucose or C6 sugar), hemicellulose (xylose or C5 sugars) can be extracted using a conversion technology and turned into a very low carbon ethanol fuel. Canergy will produce up to 36 million gallons per year (MGY) of ultra-low carbon ethanol. The facility will be using second-generation technology conversion technology called PROESA™, which is licensed to Canergy by BetaRenewables SpA, already used and tested in Brazil.

Canergy has already begun growing the energy cane that will be processed at its Imperial County plant. Water for crop production comes from the All American Canal.

The farmers have historical water rights from the canal and continued farming in the Imperial Valley is essential for the ongoing maintenance of the Salton Sea. Agricultural run-off is the primary source of water for this desert lake, which is a food source for migratory birds. Energy cane uses no more water than Sudan grass, which is the next most likely crop to be grown in the region.

In addition, Canergy will be supporting the local economy by contracting with local farmers on up to 18,500 acres of surrounding farmland. Canergy's production is expected to begin production by 2016. The project has the potential to significantly contribute to the environmental and economic health of California and its greenhouse gas reduction goals.

We encourage ARB to consider Canergy along with other development projects using renewable fuels in the state of California. The LCFS program and subsequent LCFS credit value pricing premiums contribute significantly to the economic viability of our first and future facilities. Please let me know if you have any questions

Thank you for your consideration.



Sincerely,  
Tim Brummels, CEO  
Canery, LLC