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October 16, 2014

Katrina Sideco
California Air Resources Board
P.O. Box 2815
Sacramento, CA 95812

Via email to: ksideco@arb.ca.gov

RE: Low Carbon Intensity Fuel Availability

Dear Ms. Sideco:

This letter is submitted on behalf of our company, Crimson Renewable Energy LP ("Crimson") to provide input regarding the availability of low carbon intensity fuels to supply the California market. The availability of low carbon fuels is an important issue under consideration by the Air Resources Board ("ARB") as it will likely impact the determination of the carbon intensity compliance curve. The issue was discussed in the Low Carbon Fuel Standard ("LCFS") workshop held on September 25, 2014.

Availability of Biodiesel Fuel

Crimson operates an ultra-low carbon biodiesel production facility located in Bakersfield, CA that began production in late 2011. We utilize primarily used cooking oil and will also utilize distiller's corn oil and inedible animal fats depending on raw materials market conditions (i.e. relative price differentials between different feedstocks) and fuel properties that are desired at different times of the year. The average carbon intensity of the biodiesel produced by Crimson during the 2012-2014 year-to-date period has ranged from 10 to 14.5. Crimson currently produces ultra-low carbon biodiesel at an annual rate of approximately 14.5 million gallons per year and 100% of Crimson's biodiesel output is sold and consumed in California. Crimson expects to increase production to approximately 17 million gallons per year in 2015 and grow to 22 million gallons per year in 2016 and thereafter. The Crimson facility is currently permitted for an operating capacity of up to 30 million gallons per year so investment further improvements in production capacity in 2017 and beyond are definitely possible depending on market conditions and the long term direction and stability of critical policies such as California's Low Carbon Fuel Standard and the U.S. federal Renewable Fuel Standard.

Importance of the LCFS

I would like to emphasize the importance of California's LCFS program to low carbon fuel producers and suppliers. The LCFS has sent a strong market signal that there is a reliable demand center for low carbon fuels. In addition, the carbon intensity structure of the LCFS program has provided a premium value based on the precise carbon intensity of the particular fuel. This has incentivized producers to find ways



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to more efficiently produce fuel regardless of the type of low carbon fuel produced. We at Crimson strongly believe that the LCFS program is working as designed and that the fuel volumes required to meet the current implementation schedule through the 10% carbon reduction in 2020 will be available.

Conclusion

We appreciate this opportunity to submit a comment to the Air Resources Board. We recognize the leadership that California has shown in reducing the carbon intensity of transportation fuels. Please let me know if any clarification of this comment would be helpful.

Sincerely yours,

Harry Simpson
President

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