



Ms. Katrina Sideco  
Air Resources Engineer, Fuels Section  
California Air Resources Board  
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November 21, 2014

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Dear Ms. Sideco:

GlassPoint appreciates and supports ARB's continuing efforts to readopt the Low Carbon Fuel Standard (LCFS) to create a regulatory framework that works for all stakeholders. We are pleased to provide these comments in response to the November 13, 2014 public workshop on proposed revisions to the LCFS. The work completed to date has demonstrated a positive and cooperative rulemaking that GlassPoint believes has made the regulation better. We look forward to the conclusion of the rulemaking in an expeditious manner as possible, GlassPoint is ready to build new low-carbon projects once regulatory standards are set.

GlassPoint is a California company that manufactures solar steam generators for thermal enhanced oil recovery (EOR). Our renewable energy technology has proven reliable, safe and economical in field operations in California and the Middle East. We are pleased to announce that the U.S. State Department has selected GlassPoint as one of nine finalists for the Secretary of State's prestigious 2014 Award for Corporate Excellence (ACE) for our technology and corporate behavior.

Thermal EOR, or steam injection, extends the value and the life of California's oilfields. Today, thermal EOR accounts for more than 40% of California's oil production and consumes more than 200 MM MMBTU per year of fuel for steam generation. Solar energy can replace a substantial fraction of that existing fuel use, reducing emissions resulting from upstream production. By delivering carbon intensity reductions (CI reductions) in petroleum fuels, solar EOR can complement and reduce risks associated with other compliance pathways.

GlassPoint appreciated ARB's understanding of the potential impact of solar EOR during the rulemaking process, and agree that solar EOR in California could deliver over four million credits per year into the LCFS market while creating over 30,000 direct California construction job-years. Our analysis shows further benefits in the form of at least another 30,000 job-years in the refining and production sector in-state.

GlassPoint strongly supports the proposals made at the last workshop, including:

- Recognizing a 2010 operational starting date eligibility for solar steam projects; and
- Providing a separate default credit calculation for solar steam with a quality of 65 to 75 percent.

As the regulatory drafting comes to a close, GlassPoint strongly recommends the following final adjustments to the regulation:

- Provide the same level of credit retroactivity as it relates to Application Timing to the Innovative Crude provisions, as was provided to the Fuel Pathway Application; and
- Include first of their kind, or next generation technology pilot projects as eligible activities.

Providing the same retroactivity for credit generation to Innovative Crude applications is consistent with the Fuel Pathway policy. Once an application is deemed complete by CARB, any lost credit generation for completed projects is out of the applicants control. GlassPoint understands this may be a limited circumstance, but it could be an important factor in certain projects.

Innovative Crude technologies are constantly advancing. The minimum thresholds currently provided in the draft language make sense as a way to keep the number of applications to only those that are truly using innovative methods, but as history has shown, pilot projects are needed to demonstrate that the next technology leap is actually possible. GlassPoint respectfully requests that CARB include an eligibility category for Innovative Crude credits related to demonstration pilot projects, regardless of their size and CI reductions. These projects are key to allowing larger, more significant reduction projects to be financed and built.

One final reminder on regulatory timing must be noted. This regulatory adoption schedule has been delayed several times and now creates challenges for customers and project developers to harvest the benefits of the Federal solar tax incentives, which expires at the end of 2016. An effective 20% price increase will occur for projects which come online after that date. GlassPoint wishes to continue the discussion on how we can send a signal to the investment community as soon as possible about the longevity of, and the benefits of, this program. That is the easiest way to start in-state investments in lower CI fuel production. We look forward to working with ARB on ways to speed up and simplify the process so that projects can capture the Federal benefits and minimize total costs.

Thank you for the opportunity to comment and we look forward to continuing to work with ARB.

Sincerely,



John O'Donnell  
Vice President, Business Development