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

April 11, 2014

Dear Ms. Sideco:

GlassPoint appreciates and supports ARB's efforts to modify 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 March 11, 2014 public workshop on proposed revisions to the LCFS.

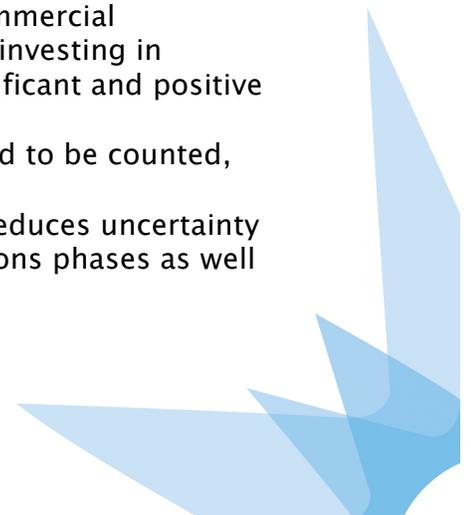
GlassPoint is a California company that manufactures solar steam generators for thermal enhanced oil recovery (EOR). Our renewable energy technology has proven reliable, safe and economical in field operations in California and the Middle East.

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 staff's presentation and discussion of the potential impact of solar EOR during the workshop, 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 analyses show 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 following proposals made at the workshop:

- **Producer Opt-In** provision that will greatly simplify commercial arrangements for crude producers who are considering investing in innovative crude methods. This change would be a significant and positive development for the program.
- **Removal of 1g/MJ Threshold** allows every ton delivered to be counted, and allows staged deployments and investments.
- **Assigned Default Calculation** for solar steam greatly reduces uncertainty and cost for customers, both in planning and in operations phases as well as ARB overhead.





GlassPoint would like to express concern about the following issues:

- **Delayed “Innovative Methods” White Paper:** ARB’s white paper, which was discussed at the workshop, has not yet been released. We expect this document to stimulate and expand interest in solar EOR among project owners and investors. We look forward to its timely release and subsequent discussion.
- **Default Calculations:** Oilfield operators are considering projects that use solar energy to reduce fuel usage for direct steam generation, to heat water for injection, and to preheat water then delivered to fuel-fired boilers. GlassPoint would like to see a default scoring approach that covers all use cases to simplify project analysis and design.
- **Cost Controls:** Uncertainty about forward credit prices is a major obstacle to investments in low-carbon energy facilities that would expand the credit supply and reduce all parties’ compliance costs. GlassPoint appreciates ARB’s efforts to create predictability for investors and looks forward to the release of ARB’s proposals on this matter.
- **Timing:** Current Federal incentives for solar energy facilities are set to expire at the end of 2016. Projects that come online thereafter will experience an effective 20% price increase, so the clock is ticking to maximize the benefits of this rulemaking.

Our customers repeatedly ask us for clarity and certainty on the regulatory framework so that they can build reliable financial models. Eliminating uncertainty about the future of the regulatory framework is essential for industry to invest in facilities that will deliver long-term low-carbon energy supplies. GlassPoint appreciates ARB’s efforts to ensure this framework works for all California stakeholders and requests that the current regulatory process be completed in an expeditious manner, without undue delay.

Our data show that solar EOR can deliver substantial economic growth in California while lowering the costs of achieving the goals of the LCFS for all parties. We hope ARB can finalize the regulatory framework and LCFS market rules soon so that California stakeholders can capture the Federal benefits to minimize total compliance 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