



Imperial Western Products, Inc.

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, Imperial Western Products, 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

Imperial Western Products has been in continuous production of biodiesel since 2001. Our plant is permitted to produce up to 10.5 million gallons per year. Last year we produced over 9.3 million gallons. All of this fuel was made from used cooking oil. Depending on state and federal programs, Imperial Western Products is poised to increase production next year to our plant capacity. With proper, stable incentives in place, Imperial Western Products would increase plant capacity, or add another plant at one of our facilities in northern California.

Importance of the LCFS

I would like to emphasize the importance of California's LCFS program to low carbon fuel producers. The LCFS has sent a strong market signal that there is a reliable demand center for low carbon fuels. For example, prior to LCFS, Imperial Western Products often sold biodiesel to customers in Arizona and Nevada. Now, with LCFS in place, all of our fuel is sold in California. This is due to the carbon intensity structure of the LCFS program that has provided a premium value based on the precise carbon intensity of the particular fuel. This has incentivized us to find ways to more efficiently produce our biodiesel, such as using waste gas or solar power for energy.

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,

Curtis Wright
Division Manager