

10/16/14

Please accept these comments on behalf of Pacific Ethanol regarding availability of low carbon intensity fuels to supply the California market through 2020:

A fundamental premise of the LCFS is the proliferation and diversification of fuels based upon market dynamics and performance. The more choice to consumers and fuel supply to distributors the more efficient the LCFS will be.

We believe that E85 and E15 should be part of a scenario analysis regarding low carbon fuel availability in Ca in 2020. We believe both E85 and E15 will be active market contributors in 2020 and will contribute significant compliance benefits to obligated parties. As importantly, these fuels will be giving consumers vitally needed choice.

Providing consumer access to clean lower cost fuels is one of the key economic goals of the LCFS. E85 and E15 are legal fuels with a growing vehicle acceptance and demand. We believe consumers will be demanding these products in greater quantity across the country in 2020 including California. Roadblocks to market access must be addressed and can in a timely manner. As an example, the regulatory process to integrate E15 into the predictive model is about a 12 to 18<sup>th</sup> month timeline so it is reasonable to expect that to happen prior to 2020.

We stand with other alternative fuel providers commending the LCFS for opening the market to consumers to a basket of fuel choices. The LCFS implemented correctly is the market catalyst in achieving this diversity of supply and choice. Simply put we need all alternative fuels to have open access to the market.

Thank you for consideration of these comments.

Tom Koehler