



California Air Resources Board
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June 20, 2016

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Via electronic submittal to: LCFSWorkshop@arb.ca.gov

Re: June 2, 2016 Workshop Comments-Innovative Crude Proposed Amendments

GlassPoint Solar Inc. (GlassPoint) was surprised to see proposed changes to the Innovative Crude provisions in the recent Low Carbon Fuel Standard (LCFS) workshop. We were pleased to be able to provide initial comments and we appreciate the opportunity to provide these written comments as well.

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 were pleased to be selected by the U.S. State Department as one of nine finalists for the Secretary of State's prestigious 2014 Award for Corporate Excellence (ACE) for our technology and corporate behavior.

Solar powered oil production technologies—solar steam generation and solar electric power generation—have the potential to contribute to California's economy significantly while reducing costs and risks associated with meeting the LCFS.¹ Thermal EOR, or steam injection, has extended 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. Of the potential innovative methods, the use of solar energy is the lowest-cost, lowest-risk, and largest-scale opportunity to reduce the CI of California petroleum fuels.

GlassPoint is ready to build new low-carbon projects in California which will contribute to the stability of the system and deliver emissions reductions and lower costs for all stakeholders. Certainty about the stability of the regulation is a paramount requirement for investment. The existing regulatory language was a result of a cooperative rulemaking process that GlassPoint believes is workable for all Innovative Crude stakeholders. Changes at this point in time should be minimized, as the key to the Innovative Crude provisions is certainty within the regulations.

¹ January 2015, ICF Report: The Impact of Solar Powered Oil Production on California's Economy, An economic analysis of Innovative Crude Production Methods under the LCFS. Previously submitted.

The proposed revision to the Innovative Crude provisions would create uncertainty in the marketplace and obstacles to the deployment of solar projects.

GlassPoint understands the fundamental concern presented by staff, but believes there are ways in which to accomplish staff's goals without jeopardizing the program. The 2010 *mass-based* baseline crude flow proposal creates serious and material unintended consequences for project developers. Ensuring project credit certainty at the time of project approval needs to be incorporated into any such amendments. GlassPoint appreciates the recent discussions on the issue and looks forward to seeing amended language in the near future that addresses these concerns.

GlassPoint strongly supports Innovative Crude mechanisms and calculation procedures that provide certainty to projects, and would support regulatory language that accomplishes this goal.

Thank you for the opportunity to comment and we look forward to the conclusion of this rulemaking, and to working on building a lower carbon infrastructure for California.

Sincerely,

A handwritten signature in blue ink, appearing to read 'John O'Donnell', followed by a long horizontal flourish.

John O'Donnell

Vice President, Business Development