



October 27th, 2020

Rajinder Sahota
Division Chief, Industrial Strategies Division
California Air Resources Board
1001 I Street
Sacramento, CA 95814

Dear Ms. Sahota:

I am writing to you to express support for the Novel Technology Investment Credit (NTIC) program that was presented by Virent and Marathon in the LCFS Public Workshop on Oct. 15. Velocys encourages CARB move the NTIC program into the next rule making process for incorporation into the LCFS.

Velocys is a renewable fuels company with a proprietary Fischer-Tropsch technology. In addition to supplying our technology to the Red Rock Biofuels project in Oregon, we are developing two waste gasification to sustainable aviation fuels ("SAF") projects. The Altalto project is targeting the UK market using Municipal Solid Waste feedstock. The Bayou Fuels project in Mississippi utilizes waste woody biomass to produce SAF and could provide up to 48mm gallons annually of neat SAF to the California market by 2025 helping address this difficult to decarbonize market. Commercializing these initial capital-intensive next generation FT-Gasification to SAF projects require assistance to provide suitable risk adjusted returns to capital.

Velocys supports the NTIC program because we believe it is the correct approach to advance the growing need for low carbon fuels in California. It will help companies, like ours, bring new technologies for low carbon fuels to commercial scale. We believe the program is correctly structured to limit the LCFS programs risk in that investors will need to take the upfront risks to demonstrate the new technology is commercially and operationally viable. Additionally, administrative controls to limit the number of credits awarded to between five and seven and a half percent of deficits will help to ensure existing investments are not placed at a disadvantage and can be implemented under the existing CARB administrative infrastructure with no cash outlays by the State of California. We believe that the NTIC program will bring significant additional investments into new low carbon fuels technologies, resulting in significant increases in production of low carbon fuels.

My company could utilize the NTIC program to attract capital to construct the Bayou Fuels project providing significant volumes of low carbon intensity sustainable aviation fuels generating ~600k tons per annum of avoided CO₂e. Further, this first U.S. project would set the stage for a portfolio of future projects. These future projects target deeply negative CI fuels each of which could generate up to 1mm tons per annum of avoided CO₂e.

For all these reasons, Velocys encourages you to move the NTIC program forward in the CARB rule making process.

Best Regards,

A handwritten signature in blue ink, appearing to read "Andrew Miller", written over a horizontal line.

Andrew Miller
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77507

