

February 11, 2015

The Honorable Chairwoman Mary Nichols  
California Air Resources Board  
PO Box 2815  
Sacramento, CA 95812

**RE: Low Carbon Fuel Standard Re-adoption**

The Honorable Chairwoman Nichols:

The California Low Carbon Fuel Standard (LCFS) has made a positive impact by reducing harmful emissions and stimulating the California economy. Community Fuels designed, built and operates an advanced biorefinery at the Port of Stockton. When I co-founded the company 10 years ago, our team was confident that the public would continue to support clean, renewable energy and that state and federal policies would be implemented to incentivize the further development and integration of clean fuels.

Community Fuels produces biodiesel, an advanced biofuel as defined by the U.S. EPA. **Biodiesel is the nation's first commercially-available advanced biofuel;** U.S. production has exceeded 1 billion gallons per year for the past three years. Biodiesel is an important component to the Low Carbon Fuel Standard because it is a proven, reliable, and commercially-available low carbon fuel that can be integrated into the existing diesel infrastructure (i.e. tanks, pumps and engines).

Biodiesel continues to have strong public and bipartisan support due to its many benefits.

**1. Performance Benefits**

- Biodiesel is a superior diesel fuel with high lubricity and detergent properties. This results in smoother and cleaner running engines and contributes to reduced wear and tear and lower maintenance costs.
- Biodiesel (used in a 5% or lower blend ratio) may be used in all diesel engines; diesel engines are 20 to 30% more efficient than gasoline engines.

**2. Environmental & Health Benefits**

- Biodiesel is nontoxic, biodegradable and reduces harmful emissions including carbon dioxide, particulate matter, carbon monoxide, hydrocarbons, sulfates, and PAH; reducing these emissions improves human health.
- Biodiesel is produced from a wide variety of fats and oils that are co-products of other industries; fats and oils are plentiful due to the high global demand for proteins.
- Biodiesel has a strong energy balance; for every unit of fossil energy it takes to produce biodiesel on a lifecycle basis, over 5.5 units of renewable energy are returned.

### 3. Economic Benefits

- When biodiesel is produced in California, it generates significant economic benefits including jobs, revenues and taxes.
- In-state biodiesel production creates new advanced manufacturing jobs; manufacturing jobs have the highest multiplier effect of all the industries surveyed by the U.S. Bureau of Economic Analysis.
- Biodiesel diversifies our State's energy sources which increases energy security and reduces price and supply volatility.

The U.S. biodiesel industry has over 3 billion gallons of production capacity registered with the EPA. This existing production capacity is over 5 times higher than the entire biomass based diesel (biodiesel and renewable diesel) categories included in the 2020 illustrative compliance scenario published by the California Air Resources Board (CARB). Californians do not need to rely on fuels imported from other countries - the U.S. biodiesel industry is ready to deliver. Also, when Californians import energy, we give up many of the economic opportunities associated with the LCFS program. **Let's keep the economic opportunities within California by minimizing imported energy and maximizing in-state production.**

Community Fuels biodiesel is primarily sold to regulated parties, which include petroleum refiners, pipeline shippers and importers. Regulated parties purchase our fuel in order to meet compliance obligations under the U.S. Renewable Fuel Standard, the CA LCFS, and the CA Cap and Trade program. Every gallon of biodiesel that is purchased displaces a gallon of diesel fuel and therefore reduces the market share of regulated parties. **Without strong and stable policies requiring the use of clean, renewable fuels, regulated parties would not purchase our fuel.**

We appreciate the efforts made by CARB staff to further improve the LCFS program by reducing indirect land use change penalties, improving the integrity of fuel pathways, and strengthening the reporting and enforcement provisions to reduce fraud risk. We request that CARB staff sunset the alternative diesel fuel rulemaking at the earliest possible date in order to remove obstacles to broader use of biodiesel throughout the state. **Community Fuels strongly supports the re-adoption of the California Low Carbon Fuel Standard.** The continued success of this regulation is critical to the viability of our California business. Please contact me with any questions at (760)942-9306 or [lisa@communityfuels.com](mailto:lisa@communityfuels.com).

*With enthusiastic support of renewable fuels, clean air and a strong economy,*



Lisa Mortenson  
Co-Founder and Chief Executive Officer  
American Biodiesel, Inc. dba Community Fuels

Cc: Board Members of the California Air Resources Board  
The Honorable Governor Edmund G. Brown, Jr.



## Community Fuels. A proven advanced biofuel producer.

- **Empowering Communities** with regional production of cost-effective renewable energy.
- **Supporting Regional Economies** by enabling easier access to clean energy and developing diversified feedstock supplies.
- **Producing High Performance Fuels** that improve lubricity and reduce engine wear.
- **Supplying Advanced Biofuels** that help clean the air and meet the requirements of the US Renewable Fuel Standard.
- **Meeting Market Demand** efficiently with our proprietary process technology.
- **Supplying Western Markets** with a renewable fuel that meets the rigorous quality requirements of multiple major oil companies.



## Why Community Fuels?

- **Proven:** Community Fuels is a proven producer - We have been in continuous operation since 2008 and have fulfilled over 5000 bulk orders of fuel.
- **Low Risk:** Our fuel exceeds the ASTM standard and meets the requirements of multiple major oil companies and pipeline operators. We perform proactive testing on all fuel to ensure high quality.
- **Marketable Credits:** The marketplace is comfortable with Community Fuels' product, our RINS, and our CI credits - it takes years to build market confidence.
- **Operational Excellence:** Our rigorous operational procedures in production, quality assurance, and accounting makes our customers' jobs easier. We provide comprehensive documentation and proof of compliance with every load.

Contact Community Fuels now to establish a relationship for reliable supply of high quality biodiesel fuels. **Call (760)942-9306 or email [sales@communityfuels.com](mailto:sales@communityfuels.com) now!**

[www.communityfuels.com](http://www.communityfuels.com)

