



Clerk of the Board
California Air Resources Board
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June 16, 2015

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Via electronic submittal to: <http://www.arb.ca.gov/lispub/comm/bclist.php>

Re: 15-Day Amendment Package for Low Carbon Fuel Standard (LCFS)

GlassPoint Solar Inc. (GlassPoint) appreciates and supports ARB's efforts to readopt the Low Carbon Fuel Standard (LCFS) to create a workable regulatory framework. We are pleased to provide these comments on the June 4, 2015 LCFS 15-Day Regulatory amendment package. The proposed final language is the result of a cooperative rulemaking process that GlassPoint believes has made the regulation better, and specifically the Innovative Crude Provisions. We look forward to the expeditious conclusion of the rulemaking as GlassPoint is ready to build new low-carbon projects once regulatory standards are finalized in California.

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.

Thermal EOR, or steam injection, extends 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 petroleum fuels produced and used in California. 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

GlassPoint appreciated ARB's understanding of the potential impact of solar EOR. The technical amendments to the Innovative Crude portions of the regulation are technically sound and appropriate. GlassPoint also appreciates the additional category of steam quality that is now eligible for credits (55%).

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.

GlassPoint strongly supports the Innovative Crude mechanisms and procedures as provided in the proposed regulation and amendments.

One final reminder on regulatory timing must be noted. This regulatory adoption schedule has been delayed several times and now creates challenges for customers and project developers to harvest the benefits of the Federal solar tax incentives, which expires at the end of 2016. An effective 20% price increase will occur for projects which come online after that date. GlassPoint wishes to continue the discussion on how we can send a signal to the investment community as soon as possible about the longevity of, and the benefits of, this program. That is the easiest way to start in-state investments in lower CI fuel production. We look forward to working with ARB so that projects can capture the Federal benefits and minimize total costs.

Thank you for the opportunity to comment and we look forward to the conclusion of this lengthy 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