



17731 Millux Road
Bakersfield, CA 93311
Tel: (661) 617-8600
Fax: (661) 617-1263

February 13, 2009

Manisha Singh
Lead, Policy and Regulatory WG
California Air Resources Board
1001 I Street
Sacramento, California 95812

VIA ELECTRONIC MAIL: mansingh@arb.ca.gov

RE: Draft Low Carbon Fuel Standard (LCFS) Regulation – January workshop

Dear Ms. Singh:

Crimson Renewable Energy LP ("Crimson") is an innovative engineering and technology driven renewable fuels producer with strong energy industry production and logistics experience. Crimson was formed in 2006 and is part of the group of companies owned and operated by Crimson Resource Management Corp. ("CRM"), one of California's independent oil and gas producers with energy-related businesses such as petroleum pipelines, natural gas processing, oil field services, asphalt production and petrochemical terminal services.

Crimson Renewable Energy typically works with fuel distributors and terminal operators to market its biodiesel. Crimson Renewable Energy is currently offering quality bulk biodiesel fuel to the wholesale market from its facility in Bakersfield, California, and is actively engaged in working with fuel distributors, terminals and other participants in the value chain for biodiesel fuel blends.

Crimson Renewable Energy just completed construction for its first biodiesel production plant, a 30 million gal per year facility in Bakersfield, California that can also refine up to 50 million pounds per year of crude glycerin, a by-product of biodiesel production. The Crimson Renewable Energy Bakersfield biodiesel plants a the largest biodiesel production facilities in California and among the largest in the western U.S. This facility recently began commissioning and is expected to begin production in April 2009. Crimson recently completed an environmental review for a second, similar sized biodiesel and glycerin production facility the Port of Stockton in northern California.

I write today to comment on the draft LCFS regulation as discussed at the January 30, 2009 workshop and to encourage an accelerated timeline for Biodiesel and other diesel alternatives. I appreciate the change made in the implementation timeline from the December workshop to begin implementation in 2011 but request more be done.

Our company agrees with concerns voiced by other groups such as the Union of Concerned Scientists that much more needs to be done to reduce GHG/carbon emissions in the early years of LCFS. Because of the long-lasting, cumulative effects of carbon residing in the atmosphere that accelerates both



17731 Millux Road
Bakersfield, CA 93311
Tel: (661) 617-8600
Fax: (661) 617-1263

climate change and movement towards a potentially disastrous environmental and economic tipping point, a unit of carbon/GHG reduction today is worth more than a comparable reduction in the future. Accordingly, we strongly recommend that ARB revise the implementation timeline for the diesel fuel pool to include more aggressive decreases in carbon intensity beginning in 2010.

ARB has stated previously that a more accelerated reduction in carbon intensity of the diesel is not feasible because diesel alternatives are currently not available in sufficient quantities. I believe that the facts show that this is not the case for biodiesel.

According to the National Biodiesel Board, the U.S. biodiesel industry currently has approximately 2.1 billion gallons of production capacity but produced only 700 million gallons in 2008. Even with a Federal Renewable Fuel Standard requirement of 1 billion gallons per year, there is more than sufficient biodiesel production capacity to meet the requirements of 1% reduction in 2010. Furthermore, California has nine biodiesel plants either currently operating or engaged in commissioning with a combined production capacity of approximately 63 million gallons per year; another 4 plants are idle and at least one other is under construction. Thus, California's 2009 biodiesel production capacity is more than capable of meeting the demands of a 1% reduction in carbon intensity beginning January 2010.

A more rapid and early implementation of LCFS also encourages the development of in-state production and distribution infrastructure of biomass-based diesel and make material progress towards achieving the goal of 20% in-state production of biofuels as stated in the BioEnergy Action Plan for California and in Executive Order S-06-06.

Thank you for your consideration of these comments. Should you have any questions or need additional information please contact me at 303-327-7675 // hsimpson@crimsonrm.com.

Sincerely yours,

Harry Simpson
President

