11 Good Energy

October 7, 2009

Chairman Mary Nichols
California Air Resources Board
1001 I Street
Sacramento, California 95814

Re: "Proposed Regulation to Implement the LCFS"

11 Good Energy, Inc. is a manufacturer and distributer of an innovative form of biodiesel fuel called G2 Diesel. G2 Diesel offers improved fuel efficiency and associated carbon reduction emissions per mile, as well as reductions in NOx emissions, and the elimination of most of the toxic byproducts generated during the conventional biodiesel production process.

11 Good Energy commends the Air Resources Board for adopting the Low Carbon Fuel Standard (LCFS). We look forard to helping California implement the LCFS with a cost-effective "now fuel" that blends commercially available feedstock to achieve lower carbon emissions per vehicle mile traveled (VMT).

The conventional biodiesel production process uses methanol as an input and generates toxic byproducts. Conventional biodiesel (ASTM 6751) produced by the traditional process contains less energy than petroleum-based diesel and increases NOx emissions, which is a primary smog precursor.

11 Good Energy has developed an innovative process for the production of biodiesel that eliminates toxic emissions and waste. These pollution prevention benefits are achieved by not using methanol and avoiding the traditional intensive washing and heating of the fuel. The 11 Good Energy process uses an efficient catalytic process to blend soy oil with ethanol to yield a cleaner, lower carbon fuel. 11 Good Energy's unique production process takes 1/3 less time to produce, compared to the conventional biodiesel production process. And our process dramatically reduces labor, capital costs, and energy inputs. Specifically, the production of G2 Diesel uses 70% less energy inputs than the conventional biodiesel production process.

Our high-performance, low carbon fuel, G2 Diesel, provides more energy than the current biodiesel fuel standard because it burns cooler and cleaner, which means less energy lost to heat and more energy converted into combustion. More complete combustion creates more energy per gallon, resulting in up to 15-25% better fuel economy in transit busses, thus reducing carbon emissions per VMT.

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The fuel economy savings exceed the incremental costs of G2 compared to conventional diesel. Thus, G2 offers a net cost savings for diesel customers, allowing market forces will help drive large scale deployment of this high-performance biodiesel to truck and transit fleets, as well as individual consumers.

G2 Diesel is a ready-to-use formula that does not require retrofitting diesel engines in order to use the product. Truck engines can use up to 20% G2 Diesel blend, and other diesel engines can use up to 100% G2 Diesel with no retrofit.

The 11 Good Energy G2 production process is scalable to meet a very large portion of California's demand for cost efficient, low carbon diesel. Our Magnolia Plant is going into production in October, 2009 and can produce G2 Diesel fuel with an annual capacity of 13,500,000 gallons. Production capacity is growing to meet growing demand, including a new plant with a projected annual capacity of 58,000,000 gallons being developed in the coming months.

We understand that one of the most challenging components in developing fuel pathways is the assessment of indirect land use changes (ILUC), particularly in relation to the use of traditional feedstock. We are well aware of the complexity surrounding the methodology for calculating ILUC and agree with the ARB's approach of establishing an Expert Workgroup to assist the Board in refining and improving the methodology for analyzing land use and indirect effects from the production of transportation fuels.

11 Good Energy's innovative production process can substantially improve carbon emission reductions per VMT, as well as other emissions, while using feedstocks that are available now. G2 can play a significant role in achieving the Low Carbon Fuel Standard and help maintain California as leader in the deployment of innovative fuels.

We look forward to working with ARB staff as we move toward together on the implementation of the LCFS.

Sincerely,

Frederick C. Berndt
CEO and Chairman
11 Good Energy