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April 14, 2009

Mary D. Nichols, Chairwoman  
c/o Clerk of the Board  
Air Resources Board  
1001 I Street  
Sacramento, CA 95814

Chairwoman Nichols:

I am writing to you on behalf of Illinois River Energy, LLC (IRE); a fuel ethanol producer located in northern Illinois. As a company founded on the principle of the importance of renewable energy to the future of our society, we applaud the commitment that California has made in reducing its environmental impact. We are concerned, however, with the inaccuracies regarding the comparison between gasoline and corn based fuel ethanol in the data being utilized to make recommendations to the California Air Resources Board (CARB) via the proposed Low Carbon Fuel Standard (LCFS). We believe these inaccuracies, resulting in the reduction of corn based ethanol, will have a negative impact on global warming.

We are confident in the inaccuracies in the report because of the work we at IRE have done to ensure the environmental stewardship of our own production facility and its fuel ethanol product. IRE is a modern day dry grind natural gas fired fuel ethanol production facility. IRE has independently commissioned two studies on the global warming impact (GWI) of the fuel ethanol produced from the facility with Dr. Steffen Mueller of the Energy Resources Center at the University of Illinois at Chicago. The first study assessed the direct impacts on the GWI of the fuel ethanol produced. The second study was expanded to include the indirect land use impact of the corn requirements from the facility utilizing high resolution satellite imagery. The studies, the first of their kind, utilized direct data on corn production from corn deliveries to the plant, in combination with actual plant energy use requirements. This was supplemented with county by county yield data and actual satellite imagery of any land changes as a result of the presence of the facility. These studies determined:

- Corn based ethanol from IRE, including all of the parameters established in GREET as well as indirect land use, has a GWI of 54.8 gCO<sub>2</sub>e/MJ relative to a GWI for gasoline of 92.1 gCO<sub>2</sub>e/MJ



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- The presence of IRE did not result in any significant conversion of non-agricultural land to corn
- Yield increases in the surrounding plant draw area were sufficient to meet the IRE corn demand

Since the time of the study in early 2008, IRE has continued to improve upon this profile.

It is disturbing, at best, to have default values for dry grind corn ethanol in the LCFS model that fail to recognize a true and accurate accounting of the GWI of an individual ethanol production facility. Clearly, fuel ethanol, from a plant such as IRE, could provide California petroleum blenders with a fuel with a demonstrated dramatically improved carbon footprint relative to gasoline today. Additionally, this fuel would provide California consumers with an economic domestic means of improving our environment.

Sincerely,

Richard Ruebe  
President and CEO  
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