

**CALIFORNIA ENERGY COMMISSION**

1516 Ninth Street  
Sacramento, California 95814

Main website: [www.energy.ca.gov](http://www.energy.ca.gov)



## **Staff Workshop on Implementation of the California Ethanol Producer Incentive Program**

The California Energy Commission staff will conduct a workshop to describe the planned implementation of the “Ethanol Producer Incentive Program” in response to directives and authority granted under Assembly Bill 118 (AB 118, Núñez, Chapter 750, Statutes of 2007).

**THURSDAY, APRIL 29, 2010**

Beginning at 9:30 a.m.

**CALIFORNIA ENERGY COMMISSION**

1516 Ninth Street

First Floor, Hearing Room A

Sacramento, California

(Wheelchair Accessible)

### **Remote Attendance and Availability of Documents**

**Internet Webcast** - Presentations and audio from the meeting will be broadcast via our WebEx web meeting service. For details on how to participate via WebEx, please see the “Remote Attendance” section toward the end of this notice.

### **Purpose**

This workshop is being conducted to discuss with and receive input from California ethanol producers, members of the public and interested parties on Energy Commission efforts to implement the AB 118 Biofuels Producer Incentive Program. At this workshop, staff will describe program requirements and eligibility criteria in order to provide the public and interested parties an opportunity to raise questions, air any concerns, and express ideas on how to improve the execution of the program and make most efficient use of program funding.

The information gathered from this workshop will be used to finalize a Program Opportunity Notice anticipated to be released in May. Draft program requirements, criteria, and calculation methodologies as developed by Energy Commission staff can be found as Attachment A to this Notice.

## Background

AB 118 created the Alternative and Renewable Fuel and Vehicle Technology Program. The statute, subsequently amended by Assembly Bill 109 (Núñez. Chapter 313, Statutes of 2008), authorizes the Energy Commission to develop and deploy alternative and renewable fuels and advanced transportation technologies to help attain the state's climate change policies. The Energy Commission has an annual program budget of approximately \$100 million and provides financial support for projects that:

- Develop and improve alternative and renewable low-carbon fuels.
- Optimize alternative and renewable fuels for existing and developing engine technologies.
- Produce alternative and renewable low-carbon fuels in California.
- Decrease, on a full fuel cycle basis, the overall impact and carbon footprint of alternative and renewable fuels and increase sustainability.
- Expand fuel infrastructure, fueling stations, and equipment.
- Improve light-, medium-, and heavy-duty vehicle technologies.
- Retrofit medium- and heavy-duty on-road and non-road vehicle fleets.
- Expand infrastructure connected with existing fleets, public transit, and transportation corridors.
- Establish workforce training programs, conduct public education and promotion, and create technology centers.<sup>3</sup>

The statute requires the Energy Commission to adopt and update annually an investment plan to determine funding priorities and opportunities and describe how program funding will be used to complement other public and private investments. The Energy Commission adopted its first investment plan at the April 22, 2009, Business Meeting. A link to the *Investment Plan for the Alternative and Renewable Fuel and Vehicle Technology Program* (CEC-600-2009-008-CTF) can be found at <http://www.energy.ca.gov/2009-ALT-1/index.html>.

## Written Comments

Written comments on the workshop topics must be submitted by 3:00 p.m. on April 29, 2010. Please indicate Ethanol Producer Incentive Program in the subject line or first paragraph of your comments. Please hand deliver or mail an original copy to:

Miles Roberts  
California Energy Commission  
1516 Ninth Street, MS 27  
Sacramento, CA 95814-5512

The Energy Commission encourages comments by electronic mail (e-mail). Please include your name or organization's in the name of the file. Those submitting comments by e-mail should provide them in either Microsoft Word format or as a Portable Document (PDF) to [[MCRobert@energy.state.ca.us](mailto:MCRobert@energy.state.ca.us)].

Participants may also provide an original and 10 copies at the beginning of the meeting.

## **Public Participation**

The Energy Commission's Public Adviser's Office provides the public assistance in participating in Energy Commission activities. If you want information on how to participate in this forum, please contact the Public Adviser's Office at (916) 654-4489 or toll free at (800) 822-6228, by FAX at (916) 654-4493, or by e-mail at [[PublicAdviser@energy.state.ca.us](mailto:PublicAdviser@energy.state.ca.us)] If you have a disability and require assistance to participate, please contact Lou Quiroz at (916) 654-5146 at least five days in advance.

Please direct all news media inquiries to the Media and Public Communications Office at (916) 654-4989, or by e-mail at [[mediaoffice@energy.state.ca.us](mailto:mediaoffice@energy.state.ca.us)].

If you have questions on the technical subject matter of this meeting, please contact Miles Roberts at (916) 654-4726 or by e-mail at [[MCRobert@energy.state.ca.us](mailto:MCRobert@energy.state.ca.us)].

## **Remote Attendance**

You can participate in this meeting through WebEx, the Energy Commission's online meeting service. Presentations will appear on your computer screen, and you listen to the audio via your telephone. Please be aware that the meeting's WebEx audio and on-screen activity may be recorded.

### **Computer Log-on with Telephone Audio:**

1. Please go to <https://energy.webex.com> and enter the unique meeting number:  
**928 950 498**
2. When prompted, enter your name other information as directed and the meeting password: **meeting@930**

3. After you log-in, a prompt will ask for your phone number. If you wish to have WebEx call you back, enter your phone number. This will put add your name on the WebEx log so that we know who is connected and have a record of your participating by WebEx.

If you do not wish to do that, click cancel, and go to step 4. Or, if your company uses an older switchboard-type of phone system where your line is an extension, click cancel and go to step 4.

4. If you didn't want WebEx to call you back, then call 1-866-469-3239 (toll-free in the U.S. and Canada). When prompted, enter the meeting number above and your unique Attendee ID number, which is listed in the top left area of your screen after you login via computer. International callers can dial in using the "Show all global call-in numbers" link (also in the top left area).

**Telephone Only (No Computer Access):**

1. Call 1-866-469-3239 (toll-free in the U.S. and Canada) and when prompted enter the unique meeting number above. International callers can select their number from <https://energy.webex.com/energy/globalcallin.php>

If you have difficulty joining the meeting, please call the WebEx Technical Support number at 1-866-229-3239.

Date: April 15, 2010

# ATTACHMENT A - Producer Incentive Program - Payment and Reimbursement Mechanism

## Overview

The Producer Incentive Program (PIP) will provide payments to California ethanol producers under specific unfavorable market conditions and, in return require reimbursement by participants to the California Alternative Energy and Advanced Transportation Financing Authority (CAEATFA) of any outstanding PIP payment balances under specifically identified favorable market conditions.

The incentive paid is based on calculation of the “ethanol crush spread” (ECS) average for each month. If a producer is registered in the program and meets specific eligibility requirements, an incentive is paid compared to ECS floor established by the Energy Commission. The “floor” value and ECS formula will be reviewed and updated annually by Energy Commission technical staff to account for unforeseen market conditions and/or new variables not included in the current formula.

If the monthly average ECS value is less than 55 cents per gallon, all California ethanol producers enrolled in the PIP will be eligible to receive up to 25 cents per gallon for all production of ethanol (fuel ethanol less denaturant) for that month for each facility operating in California. This amount will not exceed a cumulative sum of \$3 million for any calendar year. The exact amount of the payment is calculated as the differential below 55 cents per gallon and the average monthly ECS multiplied by the volume of ethanol (fuel ethanol less denaturant) produced for the month in question.

Participants in the program will also be required to reimburse the CAEATFA up to 20 cents per gallon when the ECS value is greater than \$1.00 per gallon. The amount of reimbursement owed to the CAEATFA will equal the differential between the average monthly ECS and \$1.00 per gallon (up to but not exceeding 20 cents per gallon) multiplied by the volume of ethanol (fuel ethanol less denaturant) produced during the month in question.

California ethanol producers enrolled in the program will be required to submit a confidential plant operation business information form (see PIP Participant CEC Form M29) to the Energy Commission after the close of each month. This information will be deemed confidential under the Petroleum Industry Information Reporting Act (PIIRA) regulations. This information will be used by the Energy Commission to determine production volumes of ethanol (fuel ethanol less denaturant), as well as monitoring and assessing the operational financial conditions of each facility. These confidential assessments will be used to determine revisions that may be necessary to PIP funding levels, ECS floor or other aspects of the Payment and Reimbursement Mechanism.

Funding for this program is conditional upon decisions reached by the Energy Commission for each annually updated Investment Plan of the AB 118 Alternative and Renewable Fuels and Vehicle Technology Program. The operational particulars of the PIP are detailed below. The amount of funds available to enrolled PIP participants will be limited to the allocated sum for each investment plan cycle divided by the number of PIP participants. The maximum amount of funds available to be distributed to any single facility during a given calendar year is dependent on allocations provided through one or more investment plan cycles and contingent on the:

- Number of registered participants
- Monthly ethanol production volumes
- Number of months and magnitude of the ECS differential *below* the ECS “floor”

- Number of months and magnitude of the ECS differential *above* \$1.00 per gallon

The 2008-2009 FY Investment Plan cycle allocates \$6 million for this funding solicitation; however, the Energy Commission reserves the right to increase this amount by up to \$9 million. The Energy Commission also reserves the right to decrease this amount.

California ethanol producers who are accepted to the PIP must comply with the Biorefinery Operational Enhancement Goal (BOEG) provisions and milestones. Failure to maintain compliance with the stipulated milestones will result in loss of eligibility to receive incentive payments.

### **Basic Steps of PIP Payment & Reimbursement Mechanism**

- California Energy Commission technical staff calculates the ECS and posts the value on the Energy Commission's website.
- When the ECS value is less than 55 cents per gallon (calendar year 2010), the Energy Commission technical staff calculates the amount of payment due each active PIP participant within 30 days following the close of the previous month. This timeline is conditional upon receiving the completed CEC Form M29 from each PIP participant within 21 days following the close of the previous month.
- The Energy Commission technical staff notifies the PIP participant via electronic mail (email) as to the calculated payment amount due to the PIP participant for each month when the ECS falls below the 55 cents per gallon payment trigger point.
- The Energy Commission technical staff notifies the CAEATFA as to the exact payment due each PIP participant.
- Payment to the PIP participant will occur within 10 business days of receipt of the payment request of the CAEATFA by the Energy Commission technical staff, assuming commercial banks are used for this program. Otherwise payment to the PIP participant will occur within 30 days of receipt of the payment request of the CAEATFA by the Energy Commission technical staff, assuming the State Controller's Office is used for this program.
- Monies received by each PIP participant are tracked in a running balance for each facility by the Energy Commission.
- When the calculated ECS exceeds \$1.00 per gallon, the Energy Commission technical staff calculates the reimbursement amount due from PIP participants within 30 days following the close of the previous month. Remittances are due to the CAEATFA as long as the PIP participant account balance (sum of monthly incentives paid minus sum monthly reimbursements received) is greater than zero.
- If the outstanding balance in the PIP participant account is zero, no reimbursement will be required.

### **ECS Formula**

The ECS formula is as follows: (OPIS Ethanol Price) – [(CBOT Corn Price)/Yield].

#### OPIS Ethanol Price (cents per gallon)

The monthly ethanol price will be an arithmetic average of the daily "spot ethanol assessment" prices in Los Angeles as published by the Oil Price Information Service (OPIS). The daily price used will be an average of the low and high prices described as "L.A. (1 to 5 days)". The monthly ethanol price in dollars per gallon will be calculated to three significant figures to the right of the decimal point.

#### CBOT Corn Price (cents per bushel)

The monthly corn price will be an arithmetic average of the daily settlement price on the Chicago Board of Trade (CBOT) for corn futures contract of the next period ahead. The “next period ahead” could be later in the month or even two months hence any closing date. Source of daily settlement prices will be the CME group.<sup>1</sup> The monthly corn price in dollars per bushel will be calculated to three significant figures to the right of the decimal point.

The ECS in cents per gallon will be calculated to one significant figure to the right of the decimal point.

YIELD (gallons of denatured ethanol produced per bushel of corn processed)

Denatured ethanol is “anhydrous denatured aliphatic alcohol intended for gasoline blending” per U.S. Energy Information Administration (EIA) definition associated with their Form EIA-819M, “Monthly Oxygenates Telephone Report”.

Yield is a variable subject to yearly review and updating by Energy Commission staff as may be required. For 2010 the value is 2.74. As plants become more efficient at processing corn this number is likely to rise.

---

<sup>1</sup> Link to the daily corn settlement futures contract price is as follows:  
[http://www.cmegroup.com/trading/commodities/grain-and-oilseed/corn\\_quotes\\_settlements\\_futures.html](http://www.cmegroup.com/trading/commodities/grain-and-oilseed/corn_quotes_settlements_futures.html)

### Calculation Example

The following is an example of recent prices and how the averages, ECS, and per-gallon payment calculations would appear if the PIP were operational.

Date	OPIS L.A. Spot Ethanol Assessment (1-5 days) <b>Low</b>	OPIS L.A. Spot Ethanol Assessment (1-5 days) <b>High</b>	OPIS L.A. Spot Ethanol Assessment (1-5 days) <b>Average</b>	Corn Price CBOT Next Closest Month Ahead	Ethanol Crush Spread Cents per Gallon
2/1/10	\$1.910	\$1.925	\$1.918	\$3.590	60.7
2/2/10	\$1.910	\$1.950	\$1.930	\$3.650	59.8
2/3/10	\$1.920	\$1.940	\$1.930	\$3.530	64.2
2/4/10	\$1.870	\$1.890	\$1.880	\$3.540	58.8
2/5/10	\$1.865	\$1.875	\$1.870	\$3.515	58.7
2/8/10	\$1.850	\$1.870	\$1.860	\$3.560	56.1
2/9/10	\$1.850	\$1.860	\$1.855	\$3.585	54.7
2/10/10	\$1.830	\$1.850	\$1.840	\$3.618	52.0
2/11/10	\$1.810	\$1.835	\$1.823	\$3.633	49.7
2/12/10	\$1.790	\$1.820	\$1.805	\$3.615	48.6
2/16/10	\$1.790	\$1.820	\$1.805	\$3.673	46.5
2/17/10	\$1.800	\$1.810	\$1.805	\$3.600	49.1
2/18/10	\$1.790	\$1.810	\$1.800	\$3.573	49.6
2/19/10	\$1.800	\$1.830	\$1.815	\$3.600	50.1
2/22/10	\$1.800	\$1.820	\$1.810	\$3.715	45.4
2/23/10	\$1.800	\$1.825	\$1.813	\$3.678	47.0
2/24/10	\$1.800	\$1.810	\$1.805	\$3.753	43.5
2/25/10	\$1.780	\$1.800	\$1.790	\$3.723	43.1
2/26/10	\$1.790	\$1.800	\$1.795	\$3.780	41.5
Monthly Averages			\$1.839	\$3.628	
Ethanol Crush Spread for Month					51.5
Differential below the 55 cents per gallon payment trigger price					3.5

ECS (cents per gallon) =  $((1.839) - [(3.628)/2.74]) * 100 = 51.5$

### PIP Payment Example

The following is an example of how much each participating ethanol producer would receive for the example month. All monthly production volumes are for ethanol (fuel ethanol less denaturant) and are intended to be illustrative, not actual. The maximum differential paid to participating PIP companies will be 25 cents per gallon (cpg). All ethanol produced at each participating facility from processing imported wet ethanol (dehydrating to anhydrous ethanol) will be excluded from these monthly calculations.

Enrolled PIP Facility	Ethanol Production For the Month (Millions of Gallons)	Difference Below 55 cpg Payment Trigger Point (Cents per Gallon)	Payment (Dollars)
Plant A	1.200	3.5	\$42,000.00
Plant B	1.800	3.5	\$63,000.00
Plant C	2.200	3.5	\$77,000.00
Plant D	2.400	3.5	\$84,000.00
Plant E	3.100	3.5	\$108,500.00
<b>Totals</b>	<b>10.700</b>	<b>3.5</b>	<b>\$374,500.00</b>

### PIP Reimbursement Example

The following is an example of how much each participating ethanol producer would have to reimburse the CAEATFA when the calculated monthly ECS exceeds \$1.00 per gallon. All monthly production volumes are for ethanol (fuel ethanol less denaturant) and are intended to be illustrative, not actual. The maximum differential owed to the CAEATFA by participating PIP companies will be up to 20 cents per gallon (cpg). The maximum reimbursement paid to the CAEATFA will be the lesser of the Maximum Reimbursement figure or the Outstanding PIP Balance for each facility operator.

Enrolled PIP Facility	Ethanol Production For the Month (Millions of Gallons)	Difference Above 100 cpg Reimbursement Trigger Point (Cents per Gallon)	Maximum Reimbursement (Dollars)	Outstanding PIP Balance (Dollars)	Reimbursement Payment Owed to State (Dollars)	Remaining PIP Balance (Dollars)
Plant A	1.700	2.6	\$44,200.00	\$42,000.00	\$42,000.00	\$0.00
Plant B	2.100	2.6	\$54,600.00	\$63,000.00	\$54,600.00	\$8,400.00
Plant C	2.000	2.6	\$52,000.00	\$77,000.00	\$52,000.00	\$25,000.00
Plant D	2.900	2.6	\$75,400.00	\$84,000.00	\$75,400.00	\$8,600.00
Plant E	3.400	2.6	\$88,400.00	\$108,500.00	\$88,400.00	\$20,100.00
<b>Totals</b>	<b>12.100</b>	<b>2.6</b>	<b>\$314,600.00</b>	<b>\$374,500.00</b>	<b>\$312,400.00</b>	<b>\$62,100.00</b>

Note: In this example Plant A did not have to reimburse the CAEATFA the maximum calculated amount for the month since its outstanding PIP balance was less than the maximum reimbursement level. Reimbursement obligations continue for 60 months following the date of payment receipt. Reimbursements are used to preferentially retire the oldest payments.

California Energy Commission – Producer Incentive Program – April 29, 2010  
 Payment and Reimbursement Mechanism Terms and Conditions

**PIP Participant CEC Form M29**

California Energy Commission 1516 9th Street, MS 41 Sacramento, CA 95814 Ph. 916-654-4868 Fax 916-654-4753 E-mail: piira@energy.state.ca.us		<b>CEC Form M29</b> (rev. 3-18-10)			
				Year	Month
				Year	Month
				Year	Month
				Year	Month
				Year	Month
				Year	Month
				Year	Month
				Year	Month
				Year	Month
				Year	Month
				Year	Month
				Year	Month
				Year	Month
				Year	Month
				Year	Month
				Year	Month
				Year	Month
				Year	Month
				Year	Month
				Year	Month
				Year	Month
				Year	Month
				Year	Month
				Year	Month
				Year	Month
				Year	Month
				Year	Month
				Year	Month
				Year	Month
				Year	Month
				Year	Month
				Year	Month
				Year	Month
				Year	Month
				Year	Month
				Year	Month
				Year	Month
				Year	Month
				Year	Month
				Year	Month
				Year	Month
				Year	Month
				Year	Month
				Year	Month
				Year	Month
				Year	Month
				Year	Month
				Year	Month
				Year	Month
				Year	Month
				Year	Month
				Year	Month
				Year	Month
				Year	Month
				Year	Month
				Year	Month
				Year	Month
				Year	Month
				Year	Month
				Year	Month
				Year	Month
				Year	Month
				Year	Month
				Year	Month
				Year	Month
				Year	Month
				Year	Month
				Year	Month
				Year	Month
				Year	Month
				Year	Month
				Year	Month
				Year	Month
				Year	Month
				Year	Month
				Year	Month
				Year	Month
				Year	Month
				Year	Month
				Year	Month
				Year	Month
				Year	Month
				Year	Month
				Year	Month
				Year	Month
				Year	Month
				Year	Month
				Year	Month
				Year	Month
				Year	Month
				Year	Month
				Year	Month
				Year	Month
				Year	Month
				Year	Month
				Year	Month
				Year	Month
				Year	Month
				Year	Month
				Year	Month
				Year	Month
				Year	Month
				Year	Month
				Year	Month
				Year	Month
				Year	Month
				Year	Month
				Year	Month
				Year	Month
				Year	Month
				Year	Month
				Year	Month
				Year	Month
				Year	Month
				Year	Month
				Year	Month
				Year	Month
				Year	Month
				Year	Month
				Year	Month
				Year	Month

## **Biorefinery Operational Enhancement Goals**

### **Intent and Structure**

The intent of the Producer Incentive Program (PIP) is to provide additional financial security to California biorefinery operators that will both assist in securing capital, as well as reduce the risk of temporary closure brought about by periods of poor economic operating conditions. Continued participation in the PIP also obligates the biorefiner to elect a Biorefinery Operational Enhancement Goal (BOEG) pathway designed to: reduce carbon intensity of biorefinery renewable fuel by 10 percent or displace at least 20 percent of the current grain-based feedstocks with waste-based materials.

### **BOEG Pathways**

#### BOEG Pathway Option One – Reduced Carbon Intensity

The purpose of this goal is for the biorefiner to reduce the carbon intensity (CI) value of the fuel they produce by at least 10 percent relative to the default value adopted under the Low-Carbon Fuel Standard by the California Air Resources Board (ARB) for their particular process application and type of feedstock as of March 1, 2010. Energy Commission staff assumes a default CI for California ethanol facilities of 80.70 gCO<sub>2</sub>e/MJ.<sup>2</sup> The new carbon intensity target for this pathway would be 72.63 gCO<sub>2</sub>e/MJ. A plant specific CI may be substituted for the default CI subject to ARB and/or Energy Commission review as follows:

- Full compliance with this BOEG pathway option would be achieved after the biorefiner has submitted all pertinent information to ARB, the information is verified by ARB, the new CI pathway is posted by the ARB, and a copy of the final information package associated with the new CI designation is provided to the Energy Commission. This option may entail modifications to be completed and new processes to be operational prior to submittal of information to ARB.

#### BOEG Pathway Option Two – Use of Alternative Feedstocks

The purpose of this goal is for the biorefiner to displace at least 20 percent of the existing feedstock used during the first three months of 2010 (or the most recent three months of operation for any biorefiner who owns a facility that is currently idle) with a waste-based and/or other alternative feedstock<sup>3</sup>. Full compliance with this BOEG pathway option would be achieved after the biorefiner has completed all of the necessary modifications and the new processes are operational.

---

<sup>2</sup> California Air Resources Board, Table 6. Carbon Intensity Lookup Table for Gasoline and Fuels that Substitute for Gasoline, California Dry Mill; Wet DGS; NG. A link to this table is as follows: [http://www.arb.ca.gov/fuels/lcfs/121409lcfs\\_lutables.pdf](http://www.arb.ca.gov/fuels/lcfs/121409lcfs_lutables.pdf)

<sup>3</sup> Waste-based or other alternative feedstock is intended to include any material derived in California wastes from agriculture, forest, post recycled municipal wastes and energy crops.

## Initial Participation

Biorefiner *initial* participation in the Energy Commission PIP is conditioned on:

- Submitting an application that contains sufficient information to demonstrate that the company owns an ethanol plant in California and has an annual design production capacity of at least 10 million gallons of fuel ethanol per year. The PIP applicant shall submit a copy of the California Air Resources Board LCFS Biofuel Producers Registration Form, sections 1 through 6.<sup>4</sup>
- Receiving written notice of approval from the Energy Commission after a review of the submitted application and a positive determination by Energy Commission technical staff that the company is an ethanol facility in California with an annual design production capacity of at least 10 million gallons of fuel ethanol per year.

## Continued Participation

A biorefiner's *continued* participation in the Energy Commission PIP is conditional upon achieving the following conditional milestones associated with the biorefiner PIP for either of the two BOEGs<sup>5</sup>:

### Milestone One – Due 12 Months Following Acceptance to the Energy Commission PIP

Biorefiners must submit a draft plan that details one or more projects that can be undertaken at the biorefinery that are designed to achieve compliance with either of the BOEGs. Applicant should specify which BOEG pathway is being pursued. Each project identified in the Draft BOEG Plan should include, at a minimum, the following:

- Project description
- Proposed change and potential sources of feedstock(s)
- Impact on biorefinery production, and anticipated change in energy use and GHG emissions

### Milestone Two – Due 24 Months Following Acceptance to the Energy Commission PIP

Biorefiners must submit a detailed cost estimate for their target projects that can be undertaken at the biorefinery and that are designed to achieve compliance with the BOEGs. The detailed cost estimate should, at a minimum, include the following:

- Proposed modification to existing biorefinery
- Estimated cost of equipment, materials and labor
- Estimated time line for each of the following project steps:
  - process design
  - detailed engineering
  - financing
  - major equipment procurement
  - permitting
  - construction
  - testing & start-up

### Milestone Three – Due 36 Months Following Acceptance to the Energy Commission PIP

---

<sup>4</sup> A link to the California Air Resources Board LCFS Biofuel Producers Registration Form is as follows: [http://www.arb.ca.gov/fuels/lcfs/020210biofuels\\_registration.xls](http://www.arb.ca.gov/fuels/lcfs/020210biofuels_registration.xls)

<sup>5</sup> Applicants who have already met more than one of these milestones may submit a combined report documenting early compliance with this program requirement at any of the milestone junctures.

Biorefiners must complete and obtain all of the necessary permits or negative declarations sufficient to allow the company to move forward with financing, major equipment purchases and hiring if the project approval is executed by the company officers.

Milestone Four – Due 48 Months Following Acceptance to the Energy Commission PIP

Biorefiners must obtain all of the necessary financing and initiated construction for their project associated with their elected BOEG pathway.

Milestone Five – Due 60 Months Following Acceptance to the Energy Commission PIP

Biorefiners must complete all modifications to the facility and begin modified operations that achieve compliance with either of the BOEG pathways selected by the applicant.

**Non-compliance with Milestone Provisions**

Failure to achieve compliance with any of the milestones will result in a termination from the Energy Commission’s PIP participation for the biorefiner in question effective 30 days following receipt in writing documenting the failure to achieve continued compliance. Termination from the PIP does not negate the obligation to reimburse the CAEATFA for any outstanding balance in the PIP account. These reimbursement obligations will last up to 60 months from the receipt date of the PIP recipient.

Change of plant ownership does not affect eligibility for the incentive except in the case of a change in controlling interest to any entity subject to California’s Low-Carbon Fuel Standard (LCFS). Notice shall be provided to the California Energy Commission by separate letter within 15 days of change of ownership.

**PIP Applicant Contact & Facility Information Form**

<b>SECTION 1</b>	<p><b>Section 1. Company Information</b> <b>Enter Company Name and Address</b></p> <p><b>Company Name</b> <input type="text"/></p> <p><b>EPA Company ID</b> <input type="text"/></p> <p><b>Address Line 1</b> <input type="text"/></p> <p><b>Address Line 2</b> <input type="text"/></p> <p><b>City</b> <input type="text"/></p> <p><b>State</b> <input type="text"/></p> <p><b>Zip Code (or International Zip Code or Postal Code)</b> <input type="text"/></p> <p><b>Country</b> <input type="text"/></p> <p><b>Company Webpage (if any)</b> <input type="text"/></p>
<b>SECTION 2</b>	<p><b>Section 2. Primary Contact</b> <b>Enter information for the Primary Contact person</b></p> <p><b>First Name</b> <input type="text"/></p> <p><b>Last Name</b> <input type="text"/></p> <p><b>Title</b> <input type="text"/></p> <p><b>Business Phone</b> <i>(Enter as 123-456-7869 unless International)</i> <input type="text"/></p> <p><b>Mobile Phone</b> <i>(Enter as 123-456-7869 unless International)</i> <input type="text"/></p> <p><b>Fax</b> <i>(Enter as 123-456-7869 unless International)</i> <input type="text"/></p> <p><b>Email</b> <input type="text"/></p>

California Energy Commission – Producer Incentive Program – April 29, 2010  
 Payment and Reimbursement Mechanism Terms and Conditions

SECTION 3	<p><b>Section 3. Facility Information</b>                  Enter facility information. If there is more than one facility, or if a facility has more than one Facility ID or carbon intensity value (such as those running multiple processing technologies), copy this sheet as a separate tab within this same workbook and enter information for that facility. Each facility must report information on a separate worksheet contained</p> <p><b>Section 3.1. Basic Information</b></p> <p>Facility Name <input type="text"/></p> <p>EPA Facility ID <input type="text"/></p> <p>Address Line 1 <input type="text"/></p> <p>Address Line 2 <input type="text"/></p> <p>City <input type="text"/></p> <p>State <input type="text"/></p> <p>Zip Code (or International Zip Code or Postal Code) <input type="text"/></p> <p>Country <input type="text"/></p> <p><b>Section 3.2. Production Information</b></p> <p>Production Capacity (in gallons) <input type="text"/></p> <p>Annual Production Volume (in gallons) <input type="text"/></p> <p>Annual Sales Volume to California (in gallons) <input type="text"/></p>
SECTION 4	<p><b>Section 4. Fuel Feedstock and Processing</b>                  In this section, enter the fuel and processing information corresponding to the facility in section 3. This will be used for the "preliminary" carbon intensity value in section 5. (NOTE: Clear all fields and answer all questions in the order in which they are listed below to enter your information properly.)</p> <p>Fuel Category <input type="text"/></p> <p>Feedstock Type <input type="text"/></p> <p>Feedstock Origin <input type="text"/></p> <p>Facility Type <input type="text"/> Please Describe Facility Type Below <input type="text"/></p> <p>Type of Energy Used in Processing <input type="text"/></p> <p>Co-Products <input type="text"/></p>
SECTION 5	<p><b>Section 5. Carbon Intensity Value</b>                  In this section, select a carbon intensity (CI) value for the fuel.                  The selected carbon intensity value is considered preliminary and is subject to ARB review and verification.</p> <p>Select the GREET Fuel Pathway that is closest to the fuel and processing information in section 4.  <input type="text"/></p> <p><b>90.1</b> "Preliminary Carbon Intensity (CI)" based on selected GREET Fuel Pathway in grams per MegaJoule (g/MJ)</p>