

Use Government Funding and Mechanisms to Stimulate Biofuel Project Financing

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Key Policy Objectives

Objectives	Goals and Milestones
GHG Reduction	Reduce GHG emissions to 1990 levels by 2020 and 80% below 1990 levels by 2050
Petroleum Reduction	Reduce petroleum fuel use to 15% below 2003 levels by 2020
Alternative and Renewable Fuel Use	Increase alternative and renewable fuel use to 11% of on-road and off-road fuel demand by 2012, 13% by 2017 and 26% by 2022
In-State Biofuels Production	Produce in California 20% of biofuels used in state by 2010, 40% by 2020, and 75% by 2050



2020 Biofuel Supply Scenarios (40% Market Penetration)

Fuel Scenario	Biofuel Production Needed (Million Gal)	No. Of Projects	Investment Required (\$ Million)
Gasoline Substitutes		Size: 50 Million/Yr	
E10	600	12	2400
E15	880	18	3600
Diesel Substitutes		Size: 10 Million/Yr	
B5	80	8	320
B20	320	32	1280



Possible Financing Syndicate

Government Sources and Mechanisms

- ARFVT Grants
- Credits (RIN/LCFS/Cap and Trade)
- Debt Instruments
 - CalCap Loans
 - Bonds
 - Loan Guarantees
- Equity
 - Pension Funds
 - Equity Funds

