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The City of Gridley comments on the DRAFT BIOENERGY ACTION PLAN as follows:

1. Given the limited State funds that are available, it appears that the most productive use of what funds are available would be to leverage available Federal funds (most of which require a local cost share) into proving technologies that are currently under review and development. Since the people who can bring renewable technologies into commercialization are aware of the applicable opportunities and the challenges we face, and the State deficit limits State funding, the least productive current use of the finite funds available would be to fund education and outreach programs relative to bioenergy opportunities that are not currently available. Why, for example, should we encourage motorists in California to buy E-85 fuel that is not available and can't be until the infrastructure is in place? There is sufficient demand present in California, even to replace the octane previously provided by MTBE, to support a fledgling ethanol or bio-diesel industry in California.

2. Given that the City of Gridley sees the benefits from ethanol and bio-diesel produced from biomass far outweighing any negative impacts, the City applauds the effort described in the Draft Action Plan for the multiple agencies involved to weigh the "net environmental benefit." It seems perfectly clear, however that neither the California Air Resources Board nor the environmental community is willing to buy into this concept. Given that this resistance will ultimately prevent or significantly delay the use of blends of biofuels under twenty (20) percent in California (by virtue of litigation or regulatory fiat), the City would ask that it be notified at the earliest possible opportunity if the Working Group feels that it cannot or will not be able to employ the "net environmental benefit" standard. The City has neither the resources nor inclination to joust with windmills. We have tried for over a decade to be part of the rice straw solution but have neither the resources nor political influence to fight the State's bureaucracy if it is determined that it cannot abide an action plan that will compromise to achieve the optimum "net environmental benefit."

3. The City of Gridley, based on over a decade of work funded primarily by the Department of Energy, believes that gasification is the most promising technology to convert biomass into fuel and energy on a competitive basis. Our work clearly illustrates that the capital and operating costs necessary to deal with mixed alcohols is a significant barrier to commercialization. The State could significantly contribute to the speed with which gasification technologies become commercialized in California by utilizing available resources at the Cal EPA and the Air Resources Board to evaluate promptly the impacts of blending mixed alcohols with gasoline rather than pure ethanol.

4. The City believes that if ethanol is limited to 85% blending in California, it will never happen. One only needs to look at the failed effort to commercialize methanol to recognize the error of such a proposal. The State does not have the funds to build the necessary infrastructure to launch E85 outside its own fleet. There is no reason to hope that the private sector will fund such an expensive venture.