

**GRANT REQUEST FORM (GRF)**

CEC-270 (Revised 02/13)

CALIFORNIA ENERGY COMMISSION

New Agreement ARV-13-052 (To be completed by CGL Office)

Division	Agreement Manager:	MS-	Phone
600 Fuels and Transportation Division	Phil Cazel	27	916-653-1590

Recipient's Legal Name	Federal ID Number
Crimson Renewable Energy, LP	16-1768421

Title of Project
Bakersfield Biodiesel and Glycerin Production Plant Expansion Project, Phase 2

Term and Amount	Start Date	End Date	Amount
	6 / 18 / 2014	03 / 30 / 2018	\$ 5,000,000

**Business Meeting Information**
 ARFVTP agreements under \$75K delegated to Executive Director.

Proposed Business Meeting Date	06 / 18 / 2014	<input type="checkbox"/> Consent	<input checked="" type="checkbox"/> Discussion
Business Meeting Presenter	Phil Cazel	Time Needed: 5 minutes	

Please select one list serve. Altfuels (AB118- ARFVTP)

**Agenda Item Subject and Description**

CRIMSON RENEWABLE ENERGY, LP. Proposed resolution approving Agreement ARV-13-052 with Crimson Renewable Energy, LP for a \$5,000,000 grant to upgrade equipment at their existing facility in order to increase biodiesel production from 17 million gallons per year to 22 million gallons per year with a carbon intensity less than 14 gCO<sub>2</sub>e/MJ. (ARFVTP funding) Contact: Phil Cazel. (5 minutes)

**California Environmental Quality Act (CEQA) Compliance**

1. Is Agreement considered a "Project" under CEQA?  
 Yes (skip to question 2)  No (complete the following (PRC 21065 and 14 CCR 15378)):  
 Explain why Agreement is not considered a "Project":  
 Agreement will not cause direct physical change in the environment or a reasonably foreseeable indirect physical change in the environment because .
2. If Agreement is considered a "Project" under CEQA:  
 a) Agreement **IS** exempt. (Attach draft NOE)  
 Statutory Exemption. List PRC and/or CCR section number: \_\_\_\_\_  
 Categorical Exemption. List CCR section number: \_\_\_\_\_  
 Common Sense Exemption. 14 CCR 15061 (b) (3)  
 Explain reason why Agreement is exempt under the above section:
- b) Agreement **IS NOT** exempt. (Consult with the legal office to determine next steps.)  
 Check all that apply  
 Initial Study  Environmental Impact Report  
 Negative Declaration  Statement of Overriding Considerations  
 Mitigated Negative Declaration

**List all subcontractors (major and minor) and equipment vendors: (attach additional sheets as necessary)**

Legal Company Name:	Budget
BioEnergy International AG (BDI) (includes match)	\$ 4,916,000
Denuo Energy (Match funds)	\$ 196,000
	\$

**List all key partners: (attach additional sheets as necessary)**

Legal Company Name:
The Grant Farm
Denuo Energy

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<b>Budget Information</b>			
Funding Source	Funding Year of Appropriation	Budget List No.	Amount
ARFVTF	12/13	601.118E	\$4,027,019
ARFVTF	13/14	601.118F	\$ 972,981
Funding Source			\$
Funding Source			\$
Funding Source			\$
R&D Program Area: N/A		TOTAL:	\$5,000,000
Explanation for "Other" selection			
Reimbursement Contract #:		Federal Agreement #:	

<b>Recipient's Administrator/ Officer</b>				<b>Recipient's Project Manager</b>			
Name:	Harry Simpson			Name:	Harry Simpson		
Address:	950 17 <sup>th</sup> Street, Ste 2650			Address:	950 17 <sup>th</sup> Street, Ste 2650		
City, State, Zip:	Denver, CO 80202			City, State, Zip:	Denver, CO 80202		
Phone:	720-475-5400	Fax:	720-475-5399	Phone:	720-475-5400	Fax:	720-475-5399
E-Mail:	hsimpson@crimsonrenewable.com			E-Mail:	hsimpson@crimsonrenewable.com		

<b>Selection Process Used</b>	
<input checked="" type="checkbox"/> Competitive Solicitation	Solicitation #: PON-13-609
<input type="checkbox"/> First Come First Served Solicitation	

<b>The following items should be attached to this GRF</b>	
1. Exhibit A, Scope of Work	<input checked="" type="checkbox"/> Attached
2. Exhibit B, Budget Detail	<input checked="" type="checkbox"/> Attached
3. CEC 105, Questionnaire for Identifying Conflicts	<input checked="" type="checkbox"/> Attached
4. Recipient Resolution	<input checked="" type="checkbox"/> N/A <input type="checkbox"/> Attached
5. CEQA Documentation	<input type="checkbox"/> N/A <input checked="" type="checkbox"/> Attached

\_\_\_\_\_  
Agreement Manager\_\_\_\_\_  
Date\_\_\_\_\_  
Office Manager\_\_\_\_\_  
Date\_\_\_\_\_  
Deputy Director\_\_\_\_\_  
Date

## Exhibit A SCOPE OF WORK

### TECHNICAL TASK LIST

Task #	CPR	Task Name
1		Administration
2		Pre-Construction
3	X	Site Construction
4		Operations
5		Data Collection and Analysis

### KEY NAME LIST

Task #	Key Personnel	Key Subcontractor(s)	Key Partner(s)
1	Harry Simpson (Crimson); Larry Pearson (Crimson)		
2	Harry Simpson (Crimson); Joel Pierce (Denuo Energy); Cory Busby (Crimson); Bharath Vignesh (Crimson); Manfred Baumgartner, Johann Schlogl, Dr. Martin Ernst, and Wolfgang Jeitler (BDI); Steve Bluhm (Engel & Co.)	Denuo Energy BDI Engel & Company	
3	Joel Pierce; Harry Simpson, Cory Busby, Bharath Vignesh; Manfred Baumgartner and Wolfgang Jeitler	Denuo Energy BDI	
4	Cory Busby and Bharath Vignesh		
5	Joel Pierce; Cory Busby and Bharath Vignesh	Denuo Energy BDI	

### GLOSSARY

Acronym	Definition
ARFVTP	Alternative and Renewable Fuel and Vehicle Technology Program
Energy Commission	California Energy Commission
CAM	Commission Agreement Manager
CPR	Critical Project Review
FTD	Fuels and Transportation Division
LCFS	Low Carbon Fuel Standard
NOPA	Notice of Proposed Award
Recipient	Crimson Renewable Energy LP
ULCI	Ultra Low Carbon Intensity

### BACKGROUND:

Assembly Bill (AB) 118 (Núñez, Chapter 750, Statutes of 2007), created the Alternative and Renewable Fuel and Vehicle Technology Program (ARFVTP). The statute authorizes the California Energy Commission (Energy Commission) to develop and deploy alternative and renewable fuels and advanced transportation technologies to help attain the state's climate change policies. AB 8 (Perea, Chapter 401, Statutes of 2013) re-authorizes the ARFVTP through January 1, 2024, and specifies that the Energy Commission allocate up to \$20 million per year (or up to 20 percent of each fiscal year's funds) in funding for hydrogen station

development until at least 100 stations are operational. 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; and
- Establish workforce training programs, conduct public education and promotion, and create technology centers.

The California Energy Commission issued solicitation PON-13-609 to provide funding opportunities under the ARFVT Program for the development of new, or the modification of, existing California-based biofuel production facilities that can sustainably produce low carbon transportation fuels. To be eligible for funding under PON-13-609, the projects must also be consistent with the ARFVTP Investment Plan updated annually. In response to PON-13-609, Recipient submitted application #17, which was proposed for funding in the Energy Commission's Notice of Proposed Awards (NOPA) issued May 7, 2014. The Recipient's application, NOPA and PON-13-609 are incorporated by reference to this Agreement in its entirety.

In the event of any conflict or inconsistency between the terms of the Solicitation and the terms of the Recipient's Application, the Solicitation shall control. In the event of any conflict or inconsistency between the Recipient's Application and the terms of the Energy Commission's Award, the Commission's Award shall control. Similarly, in the event of any conflict or inconsistency between the terms of this Agreement and the Recipient's Application, the terms of this Agreement shall control.

**Problem Statement:**

Crimson Renewable Energy, LP currently operates the Bakersfield Biodiesel and Glycerin Production Plant which converts feedstocks such as used cooking oil, animal fats, and waste corn oils from the ethanol production process into biodiesel for the California market. The existing plant faces bottlenecks that prevent it from maximizing its current potential production capacity. The proposed improvements would increase the plant's biodiesel output by increasing the plant's ability to process certain currently available ultra-low carbon intensity (ULCI) feedstocks and expand annual biodiesel production from 17 to 22 million gallons per year. The proposed project seeks to address the ARFVTP goals of producing sustainable, alternative, and renewable low-carbon fuels in California in order, ultimately, to:

- Reduce California's use and dependence on petroleum transportation fuels
- Increase the use of alternative and renewable fuels;
- Help attain the state's climate change policies, such as reducing greenhouse gas emissions and displacing petroleum fuel demand;
- Improve California's ability to meet Low Carbon Fuel Standard (LCFS) objectives to displace petroleum, reduce carbon, and improve air quality while creating jobs; and
- Stimulate economic development in California.

Crimson and its Key Subcontractors, Denuo Energy and BDI Industries, propose to further expand plant production capacity and complete additional improvements, including the addition of a biodiesel distillation unit that will functionally replace the existing cold filtration system, which will remain onsite as a standby, redundant system. When complete, this Phase-II expansion project will enable Crimson to 1) have an unlimited ability to utilize currently available Ultra Low Carbon Intensity (ULCI) feedstock (i.e. 100% of biodiesel output could be from waste corn oil from ethanol plants); 2) process new ULCI feedstocks—such as algal oil, or sorghum oil from ethanol plants—as they become commercially available and approved for LCFS; 3) increase annual ULCI biodiesel production to 22 million gallons per year (MGPY); 4) improve the plant’s sustainability by reducing water consumption even further; and 5) future-proof the facility to enable Crimson to stay well ahead of evolving American Society for Testing and Materials and other market driven fuel standards, which have become significantly more stringent in recent years. The fully operational Phase-II plant will further increase the quantity of biodiesel available for blending into California’s transportation fuel supply.

**Goals of the Agreement:**

- Increase ULCI biodiesel production for blending into California’s transportation fuel supply;
- Add a state-of-the-art biodiesel distillation system to the Phase-I plant that will reduce water consumption and improve biodiesel product quality;
- Achieve ability to produce 100 percent of output from currently available ULCI feedstocks;
- Develop ability to process new ULCI feedstocks, such as brown grease, algal oil, and sorghum oil as they become commercially available; and
- Encourage the development of a thriving, California-based ULCI feedstock production market.

**Objectives of the Agreement:**

The quantifiable objectives of this Agreement are to:

- Increase plant production capacity from the Phase-I levels of 17 MGPY to 22 MGPY of ULCI biodiesel;
- Produce biodiesel with carbon intensity of less than 14 gCO<sub>2</sub>e/MJ;
- Achieve a water utilization rate of less than 10 percent of biodiesel volume; and
- Produce five full time equivalent jobs and 30 short-term construction jobs.

**TASK 1 ADMINISTRATION**

**Task 1.1 Attend Kick-off Meeting**

The goal of this task is to establish the lines of communication and procedures for implementing this Agreement. The CAM shall designate the date and location of this meeting and provide an agenda to the Recipient prior to the meeting.

**The Recipient shall:**

- Attend a “Kick-Off” meeting with the Commission Agreement Manager, the Grants Officer, and a representative of the Accounting Office. The Recipient shall bring its Project Manager, Agreement Administrator, Accounting Officer, and others designated by the Commission Agreement Manager to this meeting.
- Discuss the following administrative and technical aspects of this Agreement:
  - Agreement Terms and Conditions
  - Critical Project Review (Task 1.2)

- Match fund documentation (Task 1.6) No reimbursable work may be done until this documentation is in place.
- Permit documentation (Task 1.7)
- Subcontracts needed to carry out project (Task 1.8)
- The CAM's expectations for accomplishing tasks described in the Scope of Work
- An updated Schedule of Products and Due Dates
- Monthly Progress Reports (Task 1.4)
- Technical Products (Product Guidelines located in Section 5 of the Terms and Conditions)
- Final Report (Task 1.5)

**Recipient Products:**

- Updated Schedule of Products
- Updated List of Match Funds
- Updated List of Permits

**Commission Agreement Manager Product:**

- Kick-Off Meeting Agenda

**Task 1.2 Critical Project Review (CPR) Meetings**

CPRs provide the opportunity for frank discussions between the Energy Commission and the Recipient. The goal of this task is to determine if the project should continue to receive Energy Commission funding to complete this Agreement and to identify any needed modifications to the tasks, products, schedule or budget.

The Commission Agreement Manager Agreement Manager may schedule CPR meetings as necessary, and meeting costs will be borne by the Recipient.

Meeting participants include the CAM and the Recipient and may include the Commission Grants Officer, the Fuels and Transportation Division (FTD) biofuel lead, other Energy Commission staff and Management as well as other individuals selected by the CAM to provide support to the Energy Commission.

**The CAM shall:**

- Determine the location, date, and time of each CPR meeting with the Recipient. These meetings generally take place at the Energy Commission, but they may take place at another location.
- Send the Recipient the agenda and a list of expected participants in advance of each CPR. If applicable, the agenda shall include a discussion on both match funding and permits.
- Conduct and make a record of each CPR meeting. Prepare a schedule for providing the written determination described below.
- Determine whether to continue the project, and if continuing, whether or not modifications are needed to the tasks, schedule, products, and/or budget for the remainder of the Agreement. Modifications to the Agreement may require a formal amendment (please see section 8 of the Terms and Conditions). If the CAM concludes that satisfactory progress is not being made, this conclusion will be referred to the Lead Commissioner for Transportation for his or her concurrence.

- Provide the Recipient with a written determination in accordance with the schedule. The written response may include a requirement for the Recipient to revise one or more product(s) that were included in the CPR.

**The Recipient shall:**

- Prepare a CPR Report for each CPR that discusses the progress of the Agreement toward achieving its goals and objectives. This report shall include recommendations and conclusions regarding continued work of the projects. This report shall be submitted along with any other products identified in this scope of work. The Recipient shall submit these documents to the CAM and any other designated reviewers at least 15 working days in advance of each CPR meeting.
- Present the required information at each CPR meeting and participate in a discussion about the Agreement.

**CAM Products:**

- Agenda and a list of expected participants
- Schedule for written determination
- Written determination

**Recipient Product:**

- CPR Report(s)

**Task 1.3 Final Meeting**

The goal of this task is to closeout this Agreement.

**The Recipient shall:**

- Meet with Energy Commission staff to present the findings, conclusions, and recommendations. The final meeting must be completed during the closeout of this Agreement.  
This meeting will be attended by, at a minimum, the Recipient, the Commission Grants Office Officer, and the Commission Agreement Manager. The technical and administrative aspects of Agreement closeout will be discussed at the meeting, which may be two separate meetings at the discretion of the Commission Agreement Manager.  
The technical portion of the meeting shall present an assessment of the degree to which project and task goals and objectives were achieved, findings, conclusions, recommended next steps (if any) for the Agreement, and recommendations for improvements. The Commission Agreement Manager will determine the appropriate meeting participants.  
The administrative portion of the meeting shall be a discussion with the Commission Agreement Manager and the Grants Officer about the following Agreement closeout items:
  - What to do with any equipment purchased with Energy Commission funds (Options)
  - Energy Commission’s request for specific “generated” data (not already provided in Agreement products)
  - Need to document Recipient’s disclosure of “subject inventions” developed under the Agreement
  - “Surviving” Agreement provisions

- Final invoicing and release of retention
- Prepare a schedule for completing the closeout activities for this Agreement.

**Products:**

- Written documentation of meeting agreements
- Schedule for completing closeout activities

**Task 1.4 Monthly Progress Reports**

The goal of this task is to periodically verify that satisfactory and continued progress is made towards achieving the objectives of this Agreement on time and within budget.

The objectives of this task are to summarize activities performed during the reporting period, to identify activities planned for the next reporting period, to identify issues that may affect performance and expenditures, and to form the basis for determining whether invoices are consistent with work performed.

**The Recipient shall:**

- Prepare a Monthly Progress Report which summarizes all Agreement activities conducted by the Recipient for the reporting period, including an assessment of the ability to complete the Agreement within the current budget and any anticipated cost overruns. Each progress report is due to the Commission Agreement Manager within 10 days of the end of the reporting period. The recommended specifications for each progress report are contained in Section 6 of the Terms and Conditions of this Agreement.
- In the first Monthly Progress Report and first invoice, document and verify match expenditures and provide a synopsis of project progress, if match funds have been expended or if work funded with match share has occurred after the notice of proposed award but before execution of the grant agreement. If no match funds have been expended or if no work funded with match share has occurred before execution, then state this in the report. All pre-execution match expenditures must conform to the requirements in the Terms and Conditions of this Agreement.

**Product:**

- Monthly Progress Reports

**Task 1.5 Final Report**

The goal of the Final Report is to assess the project's success in achieving the Agreement's goals and objectives, advancing science and technology, and providing energy-related and other benefits to California.

The objectives of the Final Report are to clearly and completely describe the project's purpose, approach, activities performed, results, and advancements in science and technology; to present a public assessment of the success of the project as measured by the degree to which goals and objectives were achieved; to make insightful observations based on results obtained; to draw conclusions; and to make recommendations for further projects and improvements to the FTD project management processes.

The Final Report shall be a public document. If the Recipient has obtained confidential status from the Energy Commission and will be preparing a confidential version of the Final Report as well, the Recipient shall perform the following activities for both the public and confidential versions of the Final Report.

**The Recipient shall:**

- Prepare an Outline of the Final Report, if requested by the CAM.
- Prepare a Final Report following the latest version of the Final Report guidelines which will be provided by the CAM. The CAM shall provide written comments on the Draft Final Report within fifteen (15) working days of receipt. The Final Report must be completed at least 60 days before the end of the Agreement Term.
- Submit one bound copy of the Final Report with the final invoice.

**Products:**

- Outline of the Final Report, if requested
- Draft Final Report
- Final Report

**Task 1.6 Identify and Obtain Matching Funds**

The goal of this task is to ensure that the match funds planned for this Agreement are obtained for and applied to this Agreement during the term of this Agreement.

The costs to obtain and document match fund commitments are not reimbursable through this Agreement. Although the Energy Commission budget for this task will be zero dollars, the Recipient may utilize match funds for this task. Match funds shall be spent concurrently or in advance of Energy Commission funds for each task during the term of this Agreement. Match funds must be identified in writing and the associated commitments obtained before the Recipient can incur any costs for which the Recipient will request reimbursement.

**The Recipient shall:**

- Prepare a letter documenting the match funding committed to this Agreement and submit it to the Commission Agreement Manager at least 2 working days prior to the kick-off meeting. If no match funds were part of the proposal that led to the Energy Commission awarding this Agreement and none have been identified at the time this Agreement starts, then state such in the letter. If match funds were a part of the proposal that led to the Energy Commission awarding this Agreement, then provide in the letter a list of the match funds that identifies the:
  - Amount of each cash match fund, its source, including a contact name, address and telephone number and the task(s) to which the match funds will be applied.
  - Amount of each in-kind contribution, a description, documented market or book value, and its source, including a contact name, address and telephone number and the task(s) to which the match funds will be applied. If the in-kind contribution is equipment or other tangible or real property, the Recipient shall identify its owner and provide a contact name, address and telephone number, and the address where the property is located.

- Provide a copy of the letter of commitment from an authorized representative of each source of cash match funding or in-kind contributions that these funds or contributions have been secured. For match funds provided by a grant a copy of the executed grant shall be submitted in place of a letter of commitment.
- Discuss match funds and the implications to the Agreement if they are reduced or not obtained as committed, at the kick-off meeting. If applicable, match funds will be included as a line item in the progress reports and will be a topic at CPR meetings.
- Provide the appropriate information to the Commission Agreement Manager if during the course of the Agreement additional match funds are received.
- Notify the Commission Agreement Manager within 10 days if during the course of the Agreement existing match funds are reduced. Reduction in match funds must be approved through a formal amendment to the Agreement and may trigger an additional CPR meeting.

**Products:**

- A letter regarding match funds or stating that no match funds are provided
- Copy(ies) of each match fund commitment letter(s) (if applicable)
- Letter(s) for new match funds (if applicable)
- Letter that match funds were reduced (if applicable)

**Task 1.7 Identify and Obtain Required Permits**

The goal of this task is to obtain all permits required for work completed under this Agreement in advance of the date they are needed to keep the Agreement schedule on track.

Permit costs and the expenses associated with obtaining permits are not reimbursable under this Agreement. Although the Energy Commission budget for this task will be zero dollars, the Recipient shall budget match funds for any expected expenditures associated with obtaining permits. Permits must be identified in writing and obtained before the Recipient can make any expenditure for which a permit is required.

**The Recipient shall:**

- Prepare a letter documenting the permits required to conduct this Agreement and submit it to the Commission Agreement Manager at least 2 working days prior to the kick-off meeting. If there are no permits required at the start of this Agreement, then state such in the letter. If it is known at the beginning of the Agreement that permits will be required during the course of the Agreement, provide in the letter:
  - A list of the permits that identifies the:
    - Type of permit
    - Name, address and telephone number of the permitting jurisdictions or lead agencies
  - The schedule the Recipient will follow in applying for and obtaining these permits.
- Discuss the list of permits and the schedule for obtaining them at the kick-off meeting and develop a timetable for submitting the updated list, schedule and the copies of the permits. The implications to the Agreement if the permits are not obtained in a timely fashion or are denied will also be discussed. If applicable, permits will be included as a line item in the Progress Reports and will be a topic at CPR meetings.

- If during the course of the Agreement additional permits become necessary, provide the appropriate information on each permit and an updated schedule to the Commission Agreement Manager.
- As permits are obtained, send a copy of each approved permit to the Commission Agreement Manager.
- If during the course of the Agreement permits are not obtained on time or are denied, notify the Commission Agreement Manager within 5 working days. Either of these events may trigger an additional CPR.

**Products:**

- Letter documenting the permits or stating that no permits are required
- A copy of each approved permit (if applicable)
- Updated list of permits as they change during the term of the Agreement (if applicable)
- Updated schedule for acquiring permits as changes occur during the term of the Agreement (if applicable)
- A copy of each final approved permit (if applicable)

**Task 1.8 Obtain and Execute Subcontracts**

The goal of this task is to ensure quality products and to procure subcontractors required to carry out the tasks under this Agreement consistent with the Agreement Terms and Conditions and the Recipient's own procurement policies and procedures. It will also provide the Energy Commission an opportunity to review the subcontracts to ensure that the tasks are consistent with this Agreement, and that the budgeted expenditures are reasonable and consistent with applicable cost principles.

**The Recipient shall:**

- Manage and coordinate subcontractor activities.
- Submit a draft of each subcontract required to conduct the work under this Agreement to the Commission Agreement Manager for review.
- Submit a final copy of the executed subcontract.
- If Recipient decides to add new subcontractors, then the Recipient shall notify the CAM.

**Products:**

- Draft subcontracts
- Final subcontracts

**TECHNICAL TASKS**

**TASK 2 PRE-CONSTRUCTION**

**TASK 2.1 Design and Engineering**

The goal of this task is to complete design and engineering packages for the civil, structural, process, mechanical, and electrical improvements, as well as proposed expansion of the existing facility. Design and engineering packages will provide the necessary information and level of detail to integrate the new equipment into the existing process. Design and engineering packages will also enable the facility to expand biodiesel production capacity to 22 MGPY, run a higher volume of existing ULCI feedstocks such as waste corn oil from ethanol production, and run new ULCI feedstocks as the emerge and are approved for LCFS pathways.

**The Recipient shall:**

- Complete Design and Engineering Packages for the following:
  - New 6-8 MM BTU per hour thermal oil heating system and associated cooling systems.
  - New 8,000-gal transesterification reactor and associated pumps, controls and heat exchangers.
  - New biodiesel distillation system including distillation column, evaporator, and associated surge and process vessels.
  - New separate vacuum system for the biodiesel distillation system.
  - Expansion of current electrical capacity to level sufficient to accommodate all of the above.
  - New truck loading/unloading bays for expanded plant capacity.
- Prepare and release Bid Packages for selection of construction firms for the following:
  - Site prep and soils excavation, fill, and compaction.
  - Concrete foundations and pads.
  - Steel structural supports.
  - Mechanical and piping installation.
  - Electrical and automation / controls installation.
- Review respondents and select construction firms.

**Products:**

- Thermal oil heating system and associated cooling systems design and engineering package
- Transesterification reactor and associated equipment design and engineering package
- Biodiesel distillation system and associated equipment design and engineering package
- Vacuum system for the biodiesel distillation system equipment design and engineering package
- Electrical system expansion design and engineering package
- Truck loading/unloading bays design and engineering package
- Copy of bid package for site prep and soils excavation, fill, and compaction
- Copy of bid package for concrete foundations and pads
- Copy of bid package for steel structural supports
- Copy of bid package for mechanical and piping installation
- Copy of bid package for electrical and automation / controls installation
- List of selected construction firms

**TASK 2.2 Construction and Equipment Lists**

The goal of this task is to finalize the project design and construction costs prior to incurring major construction expenses.

**The Recipient shall:**

- Prepare Construction and Equipment Lists documenting the comprehensive construction costs. The Construction and Equipment List will include all items to be purchased, constructed, or installed on the project. For each item, the letter shall provide:
  - The name of the item.

- The make, model, size, capacity or other information as appropriate to the item.
- The name of the entity that will be carrying out the purchase and/or supply or installation of the item.
- The estimated or bid cost to purchase and install the item.

**Products:**

- Construction and Equipment Lists

**TASK 2.3 Approval to Proceed with Construction**

The goal of this task is to document preparedness to build the project and to secure Commission Agreement Manager approval to begin incurring major construction costs.

**The Recipient shall:**

- Prepare a Written Notification of Readiness to Construct stating the project has obtained all permits, third party agreements, binding construction and equipment bids, and all other items necessary to begin construction.
- Develop proposed Construction Timeline running from the intended date to begin construction until the commercial operation date of the project.

**Products:**

- Written Notification of Readiness to Construct
- Construction Timeline

**TASK 3 SITE CONSTRUCTION**

**3.1 Construction and Installation**

The goal of this task is to construct the additions and changes to the existing biodiesel production facility and prepare these for commercial operations.

**The Recipient shall:**

- Procure all required equipment and materials for construction.
- Execute construction of the project as outlined in the Construction Timeline and Construction and Equipment lists. This construction/installation shall include the following major components:
  - Layout
  - Civil and Site Work
  - Steel construction
  - Foundations for process vessels and new storage tanks
  - Mechanical installation
  - Electrical installation
  - Technical support installation
- Initiate Process Safety Management Program and conduct:
  - Process hazard analysis
  - Pre-startup safety review
  - Training for operational personnel
- Prepare Standard Operating Procedures

**[CPR WILL BE HELD DURING THIS TASK. See Task 1.2 for details]**

**Products:**

- Construction Report
- Written notification of initiation of Process Safety Management Program
- Standard Operating Procedures Report

**3.2 Commissioning and Testing**

The goals of this task are to start up and commission the newly expanded plant.

**The Recipient shall:**

- Perform cold commissioning, which will include:
  - Delivery of preliminary documentation.
  - Completion and system check out.
  - Confirmation of operational readiness.
- Perform hot commissioning, which will include:
  - Performance testing of new systems including thermal oil heating, vacuum, and biodiesel distillation.
  - Perform test run of production.
- Prepare a written notification of commercial operation and submit it to the Commission Agreement Manager within ten working days of commercial operation of the project. The Written Notification shall contain the following elements:
  - The date the project achieved commercial operation(s).
  - A narrative on the current status of the project and initial operations.
  - Any changes made from the project as originally proposed and reasons for those changes.

**Products:**

- Written Notification of Commercial Operation

**TASK 4 OPERATIONS**

The goal of this task is to operate the fuel production facility as designed with its new systems and to begin to collect data to document the project's fulfillment of its objectives.

**The Recipient shall:**

- Operate facility and comply with all applicable regulatory standards.
- Prepare Monthly Operations Report. The Operations Report shall include but are not be limited to the following information:
  - A narrative on operational highlights from the previous month, including any stoppages in production and a statement as to the project's compliance with regulatory requirements.
  - The total amount of fuel produced on a monthly basis.
  - The total amount of feedstock received and processed on a monthly basis.
- Expand outreach to the public through:
  - A town hall meeting in Bakersfield, California and via webinar to be scheduled in the month following the NOPA.
  - At least three press or media releases over the project lifetime.
  - Increasing web and social media presence.
  - Targeting prominent state media outlets to profile the expanding role of biodiesel in California.

- Solicitation of the Governor's Economic and Environmental Leadership Award for leadership in renewable fuels.
- Coordination with California State University, Bakersfield for a presentation about biodiesel and the production facility to interested students and faculty.

**Products:**

- Operations Reports
- Public Outreach Reports

**TASK 5 DATA COLLECTION AND ANALYSIS**

The goal of this task is to collect operational data from the project, to analyze that data for economic and environmental impacts, and to include the data and analysis in the Final Report.

**The Recipient shall:**

- Develop data collection test plan.
- Troubleshoot any issues identified.
- Collect 6 months of throughput, usage, and operations data from the project including, but not limited to:
  - Maximum capacity of the new fueling system.
  - Gallons of gasoline and/or diesel fuel displaced (with associated mileage information).
  - Expected air emissions reduction, for example:
    - Non-methane hydrocarbons
    - Oxides of nitrogen
    - Non-methane hydrocarbons plus oxides of nitrogen
    - Particulate Matter
  - Specific jobs and economic development resulting from this project.
- Identify any current and planned use of renewable energy at the facility.
- Describe any energy efficiency measures used in the facility that may exceed Title 24 standards in Part 6 of the California Code Regulations.
- Provide data on potential job creation, economic development, and increased state revenue as a result of expected future expansion.
- Provide LCFS reporting carbon intensity values for life-cycle greenhouse gas emissions and related metric tonne carbon reduction for biodiesel produced at the facility.
- Compare any project performance and expectations provided in the proposal to Energy Commission with actual project performance and accomplishments.
- Collect data, information, and analysis described above and include in the Final Report.

**Products:**

- Data collection information and analysis will be included in the Final Report

Notice of Determination

To:

Office of Planning and Research
For U.S. Mail: Street Address:
P.O. Box 3044 1400 Tenth St.
Sacramento, CA 95812-3044 Sacramento, CA 95814

County Clerk
County of:
Address:

From:

Public Agency:
Address:
Contact:
Phone:

Lead Agency (if different from above):
Address:
Contact:
Phone:

SUBJECT: Filing of Notice of Determination in compliance with Section 21108 or 21152 of the Public Resources Code.

State Clearinghouse Number (if submitted to State Clearinghouse):

Project Title:

Project Location (include county):

Project Description:

This is to advise that the [Lead Agency or Responsible Agency] has approved the above described project on [Date] and has made the following determinations regarding the above described project:

- 1. The project [ will will not] have a significant effect on the environment.
2. The Responsible Agency considered the Environmental Impact Report prepared for this project by the Lead Agency. The Responsible Agency considered the Negative Declaration as prepared for this project by the Lead Agency.
3. Mitigation measures [ were were not] made a condition of the approval of the project.
4. A mitigation reporting or monitoring plan [ was was not] adopted for this project.
5. A statement of Overriding Considerations [ was was not] adopted for this project.
6. Findings [ were were not] made pursuant to the provisions of CEQA.

The Responsible Agency is informed that the Lead Agency maintains the final EIR with comments and responses and record of project approval, or the negative Declaration, is available to the General Public at: 1990 E. Gettysburg Ave., Fresno, CA 93726

Signature (Public Agency) Title

Date Date Received for filing at OPR



# San Joaquin Valley

AIR POLLUTION CONTROL DISTRICT

August 2, 2007

Harry Simpson  
Crimson Renewable Energy  
410 Seventeenth Street, Suite 1010  
Denver, CO 80202

**RE: Notice of Determination - Mitigated Negative Declaration For Crimson Renewable Energy Biodiesel Manufacturing Facility, ATC # S-6971-1-0 and 2-0; and District Project No. S1064848**

Dear Mr. Simpson:

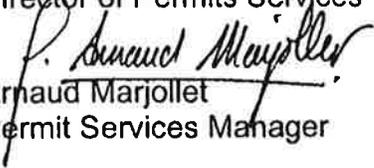
In accordance with Sections 15070 to 15075 of the California Environmental Quality Act (CEQA) Guidelines, the San Joaquin Valley Unified Air Pollution Control District (District) prepared an Initial Study and Proposed Mitigated Negative Declaration for the subject project. These documents were available for public comment from June 8, 2007 to July 5, 2007. No comment letters were received during the comment period.

The District's evaluation of the project concludes that with mitigation, the project's potential environmental impacts will be less than significant. In accordance with CEQA Guidelines, the District has filed a Notice of Determination with the Kern County Clerk's office.

Enclosed are copies of the final Mitigated Negative Declaration and the Notice of Determination. Should you have any questions, please contact Georgia Stewart of Permit Services at (559) 230-5937.

Sincerely,

David Warner  
Director of Permits Services

  
Arnaud Marjollet  
Permit Services Manager

DW: gs

*Enclosures: Final Mitigated Negative Declaration, & Notice of Determination*

**Sayed Sadredin**  
Executive Director/Air Pollution Control Officer

---

**Northern Region**  
4800 Enterprise Way  
Madesto, CA 95356-8718  
Tel: (209) 557-6400 FAX: (209) 557-6475

**Central Region (Main Office)**  
1990 E. Gattysburg Avenue  
Fresno, CA 93726-0244  
Tel: (559) 230-8000 FAX: (559) 230-8061  
[www.valleyair.org](http://www.valleyair.org)

**Southern Region**  
2700 M Street, Suite 275  
Bakersfield, CA 93301-2373  
Tel: (661) 326-8900 FAX: (661) 326-6985



# San Joaquin Valley

AIR POLLUTION CONTROL DISTRICT

August 2, 2007

County of Kern  
Planning Department  
2700 M Street, Suite 100  
Bakersfield, CA 93301

**Notice of Determination - Mitigated Negative Declaration For  
Crimson Renewable Energy Biodiesel Manufacturing  
Facility; ATC # S-6971-1-0 and -2-0; Project # S 1064848**

To Whom It May Concern:

In accordance with Sections 15070 to 15075 of the California Environmental Quality Act (CEQA) Guidelines, the San Joaquin Valley Unified Air Pollution Control District (District) prepared an Initial Study and Proposed Mitigated Negative Declaration for the subject project. These documents were available for public comment from June 8, 2007 to July 5, 2007. No comment letters were received during the comment period.

The District's evaluation of the project concludes that with mitigation, the project's potential environmental impacts will be less than significant. In accordance with CEQA Guidelines, the District has filed a Notice of Determination with the Kern County Clerk's office.

Enclosed are copies of the final Mitigated Negative Declaration and the Notice of Determination. Should you have any questions, please contact Georgia Stewart of Permit Services at (559) 230-5937.

Sincerely,

David Warner  
Director of Permits Services

  
Arnaud Marjollet  
Permit Services Manager

DW: gs

*Enclosures: Final Mitigated Negative Declaration, & Notice of Determination*  
Seyed Sadredin

Executive Director/Air Pollution Control Officer

**Northern Region**  
4800 Enterprise Way  
Modesto, CA 95358-8718  
Tel: (209) 557-6400 FAX: (209) 557-6475

**Central Region (Main Office)**  
1990 E. Gattysburg Avenue  
Fresno, CA 93726-0244  
Tel: (559) 230-6000 FAX: (559) 230-6081  
[www.valleyair.org](http://www.valleyair.org)

**Southern Region**  
2700 M Street, Suite 275  
Bakersfield, CA 93301-2373  
Tel: (661) 326-6900 FAX: (661) 326-6985



# San Joaquin Valley

## AIR POLLUTION CONTROL DISTRICT

August 2, 2007

California Department of Game and Fish  
1234 E. Shaw Avenue  
Fresno, CA 93710

**Notice of Determination - Mitigated Negative Declaration For Crimson Renewable Energy Biodiesel Manufacturing Facility  
ATC # S-6971-1-0 and -2-0; Project # S 1064848**

To Whom It May Concern:

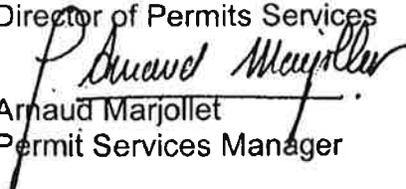
In accordance with Sections 15070 to 15075 of the California Environmental Quality Act (CEQA) Guidelines, the San Joaquin Valley Unified Air Pollution Control District (District) prepared an Initial Study and Proposed Mitigated Negative Declaration for the subject project. These documents were available for public comment from June 8, 2007 to July 5, 2007. No comment letters were received during the comment period.

The District's evaluation of the project concludes that with mitigation, the project's potential environmental impacts will be less than significant. In accordance with CEQA Guidelines, the District has filed a Notice of Determination with the Kern County Clerk's office. Per SCH Memorandum Dated December 19, 2006, a check in the amount of \$1,800 has been provided to the Kern County Clerk's office.

Enclosed are copies of the final Mitigated Negative Declaration and the Notice of Determination. Should you have any questions, please contact Georgia Stewart of Permit Services at (559) 230-5937.

Sincerely,

David Warner  
Director of Permits Services

  
Arnaud Marjollet  
Permit Services Manager

DW: gs

Enclosures: Final Mitigated Negative Declaration, & Notice of Determination

**Sayed Sadredin**  
Executive Director/Air Pollution Control Officer

**Northern Region**  
4800 Enterprise Way  
Modesto, CA 95356-8718  
Tel: (209) 557-6400 FAX: (209) 557-6475

**Central Region (Main Office)**  
1880 E. Gettysburg Avenue  
Fresno, CA 93726-0244  
Tel: (559) 230-6000 FAX: (559) 230-6061  
[www.valleyair.org](http://www.valleyair.org)

**Southern Region**  
2700 M Street, Suite 275  
Bakersfield, CA 93301-2373  
Tel: (661) 326-6900 FAX: (661) 326-6985



# San Joaquin Valley

AIR POLLUTION CONTROL DISTRICT

August 2, 2007

Cal Trans District 6  
1352 W Olive Avenue  
Fresno, CA 93278

**Notice of Determination - Mitigated Negative Declaration For Crimson Renewable Energy Biodiesel Manufacturing Facility;  
ATC # S-6971-1-0 and -2-0; Project # S 1064848**

To Whom It May Concern:

In accordance with Sections 15070 to 15075 of the California Environmental Quality Act (CEQA) Guidelines, the San Joaquin Valley Unified Air Pollution Control District (District) prepared an Initial Study and Proposed Mitigated Negative Declaration for the subject project. These documents were available for public comment from June 8, 2007 to July 5, 2007. No comment letters were received during the comment period.

The District's evaluation of the project concludes that with mitigation, the project's potential environmental impacts will be less than significant. In accordance with CEQA Guidelines, the District has filed a Notice of Determination with the Kern County Clerk's office.

Enclosed are copies of the final Mitigated Negative Declaration and the Notice of Determination. Should you have any questions, please contact Georgia Stewart of Permit Services at (559) 230-5937.

Sincerely,

David Warner  
Director of Permits Services

  
Arnaud Marjollet  
Permit Services Manager

DW: gs

Enclosures: Final Mitigated Negative Declaration, & Notice of Determination

Seyed Sadredin  
Executive Director/Air Pollution Control Officer

**Northern Region**  
4800 Enterprise Way  
Modesto, CA 95356-8718  
Tel: (209) 557-6400 FAX: (209) 557-6475

**Central Region (Main Office)**  
1990 E. Gettysburg Avenue  
Fresno, CA 93726-0244  
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2700 M Street, Suite 275  
Bakersfield, CA 93301-2373  
Tel: (661) 328-6900 FAX: (661) 328-6985



# San Joaquin Valley

AIR POLLUTION CONTROL DISTRICT

August 2, 2007

Jo Anne Kipps  
Central Valley Regional Water Quality Control Board  
1685 "E" Street  
Fresno, CA 93706

**Notice of Determination - Mitigated Negative Declaration For Crimson Renewable Energy Biodiesel Manufacturing Facility;  
ATC # S-6971-1-0 and -2-0; Project # S 1064848**

Dear Ms. Kipps:

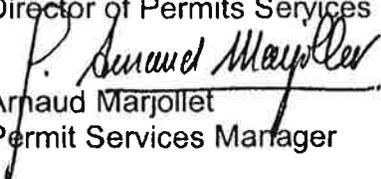
In accordance with Sections 15070 to 15075 of the California Environmental Quality Act (CEQA) Guidelines, the San Joaquin Valley Unified Air Pollution Control District (District) prepared an Initial Study and Proposed Mitigated Negative Declaration for the subject project. These documents were available for public comment from June 8, 2007 to July 5, 2007. No comment letters were received during the comment period.

The District's evaluation of the project concludes that with mitigation, the project's potential environmental impacts will be less than significant. In accordance with CEQA Guidelines, the District has filed a Notice of Determination with the Kern County Clerk's office.

Enclosed are copies of the final Mitigated Negative Declaration and the Notice of Determination. Should you have any questions, please contact Georgia Stewart of Permit Services at (559) 230-5937.

Sincerely,

David Warner  
Director of Permits Services

  
Arnaud Marjollet  
Permit Services Manager

DW: gs

*Enclosures: Final Mitigated Negative Declaration, & Notice of Determination*

**Sayed Sadredin**  
Executive Director/Air Pollution Control Officer

---

**Northern Region**  
4800 Enterprise Way  
Modesto, CA 95356-8718  
Tel: (209) 557-6400 FAX: (209) 557-6475

**Central Region (Main Office)**  
1990 E. Gettysburg Avenue  
Fresno, CA 93726-0244  
Tel: (559) 230-6000 FAX: (559) 230-8061  
[www.valleyair.org](http://www.valleyair.org)

**Southern Region**  
2700 M Street, Suite 275  
Bakersfield, CA 93301-2373  
Tel: (861) 326-6900 FAX: (861) 326-6985

RECEIVED WITH FEE  
RECEIPT # 47726

received

SEP 12 2007

FILED  
KERN COUNTY

GS



**San Joaquin Valley**  
AIR POLLUTION CONTROL DISTRICT

Permits Srvc  
SJVAPCD

AUG 06 2007

ANN K. BARNETT  
AUDITOR CONTROLLER-COUNTY CLERK  
BY CAH DEPUTY

**Notice of Determination**

**To:**  County Clerk

**County:** Kern  
**Address:** 1115 Truxton Ave  
Bakersfield, CA

**From:** Public Agency: San Joaquin Valley Unified Air Pollution Control District  
**Address:** 1990 E. Gettysburg Ave.  
Fresno, CA 93726  
**Contact:** Georgia Stewart, AQS  
**Phone:** (559) 230-5937

**Lead Agency:** San Joaquin Valley Unified Air Pollution Control District  
**Address:** 1990 East Gettysburg Avenue  
Fresno, CA 93726-0244  
**Contact:** Georgia Stewart, AQS  
**Phone:** (559) 230-5937

**SUBJECT:** Filing of Notice of Determination in compliance with Section 21108 or 21152 of the Public Resources Code.

**State Clearinghouse Number:** (if submitted to State Clearinghouse): NA

**Project Title:** Crimson Renewable Energy Biodiesel Manufacturing Facility, Authority to Construct Application No. S-6971-1-0 and -2-0; District Project No. S 1064848

**Project Location:** 17731 Millux Road, Bakersfield, CA 93311

**Description of Project:** Crimson Renewable Energy LP (CRE), a division of Crimson Resource Management, is proposing the construction of a 30,000,000-gallon per year biodiesel production operation. The proposed facility will be located within the fence line of the Delta Trading, LP facility, which is located within an M3 Industrial zone. The facility is surrounded on all sides by agriculture. The facility is not located within 1000 feet of a K-12 school. The facility will receive palm olein (the premium fractionation of refined palm oil) and methanol via tanker truck and rail car. The facility may also process soybean oil, and canola oil, tallow (yellow grease) from rendering plants, and used deep fryer oil from area restaurants. Methanol unloading racks, tanks storing methanol, and process equipment will be a source of VOC emissions. Methanol vapors will be vented to an existing vapor control system owned and operated by Delta Trading ICO Crimson Resource Management.

This is to advise that the San Joaquin Valley Unified Air Pollution Control District, acting as a Lead Agency, has approved the above described project on August 1, 2007 and has made the following determinations regarding the above described project:

1. The project  will  will not] have a significant effect on the environment.
2.  A Mitigated Negative Declaration was prepared for this project pursuant to the provisions of CEQA.
3. Mitigation measures  were  were not] made a condition of the approval of the project.
4. A mitigation reporting or monitoring plan  was  was not] adopted for this project.
5. A statement of Overriding Considerations  was  was not] adopted for this project.
6. Findings  were  were not] made pursuant to the provisions of CEQA.

This is to certify that the final Mitigated Negative Declaration, is available to the General Public at: San Joaquin Valley Unified Air Pollution Control Agency - Central Region Office; 1990 E. Gettysburg Street, Fresno, CA

Signature: *Seyed Sadredin* Title: Manager Permit Services Date: August 2, 2007  
 Executive Director/Air Pollution Control Officer

**Northern Region**  
4800 Enterprise Way  
Modesto, CA 95356-8718  
Tel: (209) 557-6400 FAX: (209) 557-6475

**Central Region (Main Office)**  
1990 E. Gettysburg Avenue  
Fresno, CA 93726-0244  
Tel: (559) 230-8000 FAX: (559) 230-6081  
www.valleyair.org

**Southern Region**  
2700 M Street, Suite 275  
Bakersfield, CA 93301-2373  
Tel: (661) 328-6900 FAX: (661) 328-6985

#0748

Notice of Environmental Document  
 Posted by County Clerk on 8/7/2007  
 and for 30 days thereafter, Pursuant to  
 Section 21152(e), Public Resources Code



**San Joaquin Valley  
Air Pollution Control District**

**Crimson Renewable Energy Biodiesel  
Manufacturing Facility**

**District Project Number: S1064848**

**California Environmental Quality Act  
Proposed Mitigated Negative Declaration  
And Initial Study**

**June 2007**



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**SAN JOAQUIN VALLEY AIR POLLUTION CONTROL DISTRICT GOVERNING  
BOARD 2007**

**CHAIR:** J. STEVEN WORTHLEY  
Supervisor, Tulare County

**VICE CHAIR:** LEROY ORNELLAS  
Supervisor, San Joaquin County

**MEMBERS:**

JON MCQUISTON  
Supervisor, Kern County

JUDITH G. CASE  
Supervisor, Fresno County

TONY BARBA  
Supervisor, Kings County

MICHAEL G. NELSON  
Supervisor, Merced County

RONN DOMINICI  
Supervisor, Madera County

WILLIAM O'BRIEN  
Supervisor, Stanislaus County

RAJI BRAR  
Council Member, City of Arvin

HENRY T. PEREA  
Council Member, City of Fresno

CHRIS VIERRA  
Council Member, City of Ceres

**AIR POLLUTION CONTROL OFFICER**

SEYED SADREDIN



## I. INTRODUCTION

The San Joaquin Valley Unified Air Pollution Control District (District) has received an Authority to Construct (ATC) application from Crimson Renewable Energy LP. The applicant proposes the construction of a 30,000,000-gallon per year biodiesel production operation. The proposed facility will be located within the fence line of the Delta Trading, LP facility, which is located within an M3 Industrial zone.

Kern County has determined that the proposed facility will not require a discretionary permit from the county. The site of the proposed facility is zoned M-3 (Heavy Industrial) and the M-3 District allows refineries by-right. The District is not aware of any other agency with discretionary approval authority for the project thus, the District is serving as the Lead Agency.

## II. PROJECT BACKGROUND INFORMATION

1. **Project Title:**  
Crimson Renewable Energy Biodiesel Manufacturing Facility  
District Project Number: S1064848
2. **Lead Agency Name and Address:**  
San Joaquin Valley Unified Air Pollution Control District  
1990 E. Gettysburg Avenue  
Fresno CA 93726-0244
3. **Contact Person:**  
Planning/CEQA: Daniel Barber, Ph.D.      Permit Services: Richard Edgehill  
(559) 230-5800      (661) 326-6958
4. **Project Location:**  
17731 Millux Road  
Bakersfield, CA 93311
5. **Project Sponsor's Name and Address:**  
Crimson Renewable Energy  
410 Seventeenth Street, Suite 1010  
Denver, CO 80202
6. **Assessor's Parcel Number:**  
295-010-47. 38.48 acres located NW/4 NW/4 Section 2 T32S R26E
7. **General Plan Designation/Zoning:**  
The project is located within General Plan Designation 7.3 Heavy Industrial. The zoning for the project location is M-3 PD.



## **8. Project Description:**

Crimson Renewable Energy LP (CRE), a division of Crimson Resource Management, is proposing the construction of a 30,000,000-gallon per year biodiesel production operation. The proposed facility will be located within the fence line of the Delta Trading, LP facility, which is located within an M3 Industrial zone. The facility is surrounded on all sides by agriculture. The facility is not located within 1000 feet of a K-12 school. An attached map identifies the current operational facility (Delta Trading), the proposed new equipment location, and the surrounding land uses.

Kern County has determined that the proposed facility will not require a discretionary permit from the county. The site of the proposed facility is zoned M-3 (Heavy Industrial) and the M-3 District allows refineries by-right. The District is not aware of any other agency with discretionary approval authority for the project thus, the District is serving as the Lead Agency.

The facility will receive palm olein (the premium fractionation of refined palm oil) and methanol via tanker truck and rail car. The facility may also process soybean oil, and canola oil, tallow (yellow grease) from rendering plants, and used deep fryer oil from area restaurants. Methanol unloading racks, tanks storing methanol, and process equipment will be a source of VOC emissions. Methanol vapors will be vented to an existing vapor control system owned and operated by Delta Trading ICO Crimson Resource Management (S-1388-12). Installation of the new equipment will trigger BACT. However, offsets and public notice are not required.

### **Pre-Project Stationary Source Potential to Emit (SSPE1)**

Pursuant to Section 4.9 of District Rule 2201, the Pre-Project Stationary Source Potential to Emit (SSPE1) is the Potential to Emit (PE) from all units with valid Authorities to Construct (ATC) or Permits to Operate (PTO) at the Stationary Source and the quantity of emission reduction credits (ERC) which have been banked since September 19, 1991 for Actual Emissions Reductions that have occurred at the source, and which have not been used on-site.

Since this is a new facility, there are no valid ATCs, PTOs, or ERCs at the Stationary Source; therefore, the SSPE1 will be equal to zero.

### **Post Project Stationary Source Potential to Emit (SSPE2)**

Pursuant to Section 4.10 of District Rule 2201, the Post Project Stationary Source Potential to Emit (SSPE2) is the Potential to Emit (PE) from all units with valid Authorities to Construct (ATC) or Permits to Operate (PTO) at the Stationary Source and the quantity of emission reduction credits (ERC) which have been banked since September 19, 1991 for Actual Emissions Reductions that have occurred at the source, and which have not been used on-site.



<b>Post Project Stationary Source Potential to Emit [SSPE2] (lb/year)</b>					
Permit Unit/ERC	NO <sub>x</sub>	SO <sub>x</sub>	PM <sub>10</sub>	CO	VOC
S-6971-1	0	0	0	0	2460
S-6971-2	0	0	0	0	6826
Post Project SSPE (SSPE <sub>2total</sub> )	0	0	0	0	9,286

### Major Source Determination

Pursuant to Section 3.24 of District Rule 2201, a Major Source is a stationary source with post-project emissions or a Post Project Stationary Source Potential to Emit (SSPE2), equal to or exceeding one or more of the following threshold values. However, Section 3.24.2 states, "for the purposes of determining major source status, the SSPE2 shall not include the quantity of emission reduction credits (ERC) which have been banked since September 19, 1991 for Actual Emissions Reductions that have occurred at the source, and which have not been used on-site."

<b>Major Source Determination (lb/year)</b>					
	NO <sub>x</sub>	SO <sub>x</sub>	PM <sub>10</sub>	CO	VOC
Pre-Project SSPE (SSPE1)	0	0	0	0	0
Post Project SSPE (SSPE2)	0	0	0	0	9,286
Major Source Threshold	50,000	140,000	140,000	200,000	50,000
Major Source?	No	No	No	No	No

As seen in the table above, the facility is not an existing Major Source and also is not becoming a Major Source as a result of this project.

### 9. Applicable Rules

- Rule 2020 Exemptions (9/21/06)
- Rule 2201 New and Modified Stationary Source Review (9/21/06)
  - Rule 4001 New Source Performance Standards (4/14/99) – Subparts Kb, VV, NNN, RRR
- Rule 4101 Visible Emissions (11/15/01)
- Rule 4102 Nuisance (12/17/92)
- Rule 4307 Boilers, Steam Generators and Process Heaters – 2.0 MMBtu/hr to 5.0 MMBtu/hr (4/20/06)
- Rule 4308 Boilers, Steam Generators and Process Heaters – 0.075 MMBtu/hr to 2.0 MMBtu/hr (10/20/05)
- Rule 4455 Components at Petroleum Refineries, Gas Liquids Processing Facilities, and Chemical Plants (4/20/05)
- Rule 4623 Storage of Organic Liquids (5/19/05)
- CH&SC 41700 Health Risk Assessment



CH&SC 42301.6 School Notice

**10. Mitigation Measures:**

Per District Authority to Construct Application No: S-6971-1-0 and S-6971-2-0, incorporated herein by reference, mitigation measures and monitoring and reporting requirements have been made conditions of project approval. The District concludes that the potential impact on air quality will be reduced to less than significant through compliance with District Rule 2201 (New Source Review) and implementation of required mitigation measures.



**B. POTENTIAL ENVIRONMENTAL IMPACT**

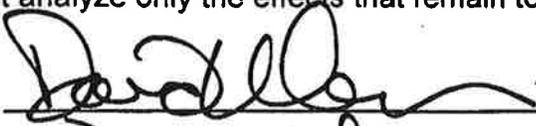
The environmental factors checked below would be potentially affected by the proposed project, involving at least one impact that is a "Potentially Significant Impact" or "Potentially Significant Unless Mitigated", as indicated by the checklist on the following pages.

- |  |   |   |
|--|---|---|
| <input type="checkbox"/> Aesthetics                    | <input type="checkbox"/> Agriculture Resources              | <input checked="" type="checkbox"/> Air Quality |
| <input type="checkbox"/> Biological Resources          | <input type="checkbox"/> Cultural Resources                 | <input type="checkbox"/> Geology/Soils          |
| <input type="checkbox"/> Hazards & Hazardous Materials | <input type="checkbox"/> Hydrology/Water Quality            | <input type="checkbox"/> Land Use/Planning      |
| <input type="checkbox"/> Mineral Resources             | <input type="checkbox"/> Noise                              | <input type="checkbox"/> Population/Housing     |
| <input type="checkbox"/> Public Services               | <input type="checkbox"/> Recreation                         | <input type="checkbox"/> Transportation/Traffic |
| <input type="checkbox"/> Utilities/Service Systems     | <input type="checkbox"/> Mandatory Findings of Significance |   |

**DETERMINATION**

I certify that this project was independently reviewed and analyzed and that this document reflects the independent judgment of the District.

- I find that the proposed project COULD NOT have a significant effect on the environment, and a NEGATIVE DECLARATION will be prepared.
- I find that although the proposed project could have a significant effect on the environment, there will not be a significant effect in this case because the mitigation measures described on an attached sheet have been added to the project. A MITIGATED NEGATIVE DECLARATION has been prepared.
- I find that the proposed project MAY have a significant effect on the environment, and an ENVIRONMENTAL IMPACT REPORT is required.
- I find that the proposed project MAY have a significant effect(s) on the environment, but at least one effect 1) has been adequately analyzed in an earlier document pursuant to applicable legal standards, and 2) has been addressed by mitigation measures based on the earlier analysis as described on attached sheets, if the effect is a "potentially significant impact" or "potentially significant unless mitigated." An ENVIRONMENTAL IMPACT REPORT is required, but it must analyze only the effects that remain to be addressed.

Signature:  Date: 6/5/07

Printed name: David Warner

Title: Director of Permit Services

DB



San Joaquin Valley Unified Air Pollution Control District  
Initial Study and Proposed mitigated Negative Declaration  
Crimson Renewable Energy Biodiesel Manufacturing Facility, Bakersfield, CA

June 6, 2007  
**FILED**  
**KERN COUNTY**

Received

JUL 13 2007

**PUBLIC NOTICE OF AVAILABILITY**

JUN 08 2007

Permits Srvc  
SJVAPCD

ANN K. BARNETT  
AUDITOR CONTROLLER COUNTY CLERK  
BY BM DEPUTY

**INITIAL STUDY and PROPOSED MITIGATED NEGATIVE DECLARATION**

**Date:** June 5, 2007

**Project Title:** Crimson Renewable Energy Biodiesel Manufacturing Facility  
District Project No. S1064848

**Applicant:** Crimson Renewable Energy LP

**Project Location:** 17731 Millux Road, Bakersfield, CA 93311

**Public Review Period: Begins:** June 8, 2007 **Ends:** July 5, 2007

Anyone interested in this matter is invited to comment on the document by written response on or before 5:00 P.M July 5, 2007.

**Description of Project:** Crimson Renewable Energy LP (CRE), a division of Crimson Resource Management, is proposing the construction of a 30,000,000-gallon per year biodiesel production operation. The proposed facility will be located within the fence line of the Delta Trading, LP facility, which is located within an M3 Industrial zone. The facility is surrounded on all sides by agriculture. The facility is not located within 1000 feet of a K-12 school. The facility will receive palm olein (the premium fractionation of refined palm oil) and methanol via tanker truck and rail car. The facility may also process soybean oil, and canola oil, tallow (yellow grease) from rendering plants, and used deep fryer oil from area restaurants. Methanol unloading racks, tanks storing methanol, and process equipment will be a source of VOC emissions. Methanol vapors will be vented to an existing vapor control system owned and operated by Delta Trading ICO Crimson Resource Management.

Per District Authority to Construct Application No: S-6971-1-0 and S-6971-2-0, mitigation measures and monitoring and reporting requirements have been made conditions of project approval. The District concludes that the potential impact on air quality will be reduced to less than significant through compliance with District Rule 2201 (New Source Review) and implementation of required mitigation measures. No other potential adverse environmental impacts were identified.

Kern County has determined that the proposed facility will not require a discretionary permit from the county. The site of the proposed facility is zoned M-3 (Heavy Industrial) and the M-3 District allows refineries by-right. The District is not aware of any other agency with discretionary approval authority for the project thus, the District is serving as the Lead Agency.

**Lead Agency:** San Joaquin Valley Unified Air Pollution Control District

**Lead Agency Contact Person:** Daniel Barber, Ph.D., Supervising Air Quality Specialist (559) 230-5840

**Addresses where document may be obtained:**

Electronic copies: District website at: [www.valleyair.org/notices/public\\_notices\\_idx.htm](http://www.valleyair.org/notices/public_notices_idx.htm)

Paper copies: San Joaquin Valley Unified Air Pollution Control District, 1990 East Gettysburg Avenue,  
Fresno, CA 93726-0244

#0568

Notice of Environmental Document  
Posted by County Clerk on 06/11/07  
and for 30 days thereafter, Pursuant to  
Section 21152(C), Public Resources Code



**MAY 07 2013**

Crimson Renewable Energy  
Attn: Harry Simpson  
950 17<sup>th</sup> Street, #2650  
Denver, CO 80202-2801

**Re: Your 2/12/13 letter concerning Crimson Renewable Energy Bakersfield Biodiesel & Glycerin Production Plant (facility S-6971)**

Dear Mr. Simpson:

The San Joaquin Valley Air Pollution Control District (District) received your 2/12/13 letter for the facility noted above located at 17731 Millux Road in Kern County, CA, requesting for a statement of concurrence that the Crimson Renewable Energy Bakersfield Biodiesel & Glycerin Production Plant (Crimson Plant) has been reviewed under the California Environmental Quality Act (CEQA) and that the proposed minor changes to the project are consistent with the District's previous CEQA review.

In 2007 the District determined that no other agency had broader discretionary approval power over installation of the proposed Crimson Plant (project) and that the District was the first agency to act on the project, therefore establishing the District as the Lead Agency for the project.

An Initial Study was prepared, which demonstrated that through a combination of project design elements, compliance with District rules, permit conditions, and mitigation measures, the project would have a less than significant effect on the environment.

The District prepared and certified a Mitigated Negative Declaration for the Crimson Plant concluding that, with mitigation, the project's potential environmental impacts would be less than significant. The District filed a Notice of Determination with the Kern County clerk on August 2, 2007.

The District provided an initial response in a letter dated 3/16/13 and is providing the following determination:

The proposed changes to the project are not substantial changes, do not cause significant effects not previously examined under the Mitigated Negative Declaration, nor require a

Seyed Sadredin  
Executive Director/Air Pollution Control Officer

Northern Region  
4800 Enterprise Way  
Modesto, CA 95356-8718  
Tel: (209) 557-6400 FAX: (209) 557-6475

Central Region (Main Office)  
1990 E. Gettysburg Avenue  
Fresno, CA 93726-0244  
Tel: (559) 230-6000 FAX: (559) 230-6061

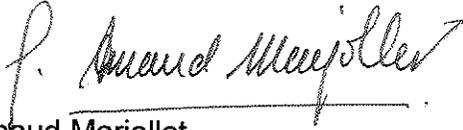
Southern Region  
34946 Flyover Court  
Bakersfield, CA 93308-9725  
Tel: 661-392-5500 FAX: 661-392-5585

change to the mitigation measures previously adopted. The proposed modifications do not change the determination made in the original Mitigated Negative Declaration that after mitigations there will be a less than significant impact on the environment. As such, no additional CEQA review will be required

If you have any questions, please contact Ms. Patia Siong at (559) 230-6000 or Mr. Leonard Scandura at (661) 392-5500.

Sincerely,

David Warner  
Director of Permit Services

A handwritten signature in black ink, appearing to read "A. Marjollet", written over a horizontal line.

Arnaud Marjollet  
Permit Services Manager

DW:ps

Cc: Leonard Scandura, Permit Services

STATE OF CALIFORNIA

STATE ENERGY RESOURCES  
CONSERVATION AND DEVELOPMENT COMMISSION

RESOLUTION REGARDING: GRANT AWARD  
TO  
CRIMSON RENEWABLE ENERGY, LP  
UNDER PON-13-609

**WHEREAS**, Crimson Renewable Energy, LP (Recipient) has applied to the State Energy Resources Conservation and Development Commission (Energy Commission) for a grant under PON-13-609 to install equipment upgrades at an existing biodiesel facility in order to increase biodiesel production from 17 million gallons per year to 22 million gallons per year with the carbon intensity of the biodiesel produced to be less than 14 gCO<sub>2</sub>e/MJ (the "Project"); and

**WHEREAS**, the San Joaquin Valley Unified Air Pollution Control District, as the Lead Agency, has conducted an Initial Study for the activities funded by this grant under the California Environmental Quality Act (CEQA) and has adopted a Mitigated Negative Declaration for the project; and

**WHEREAS**, the Energy Commission independently finds that the mitigation measures incorporated in the Mitigated Negative Declaration will prevent the Project from having any significant environmental impacts and that those measures are within the jurisdiction of the Lead Agency.

**THEREFORE BE IT RESOLVED**, that the Energy Commission approves Grant # ARV-13-052 with Crimson Renewable Energy, LP, for \$5,000,000.00, to install equipment upgrades at an existing biodiesel facility.

**FURTHER BE IT RESOLVED**, that this document authorizes the Executive Director or his/her designee to execute the same on behalf of the Energy Commission.

CERTIFICATION

The undersigned Secretariat to the Commission does hereby certify that the foregoing is a full, true, and correct copy of a RESOLUTION duly and regularly adopted at a meeting of the California Energy Commission held on 06/18/2014:

AYE: [*List Commissioners*]

NAY: [*List Commissioners*]

ABSENT: [*List Commissioners*]

ABSTAIN: [*List Commissioners*]

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*Harriet Kallemeyn,  
Secretariat*