



December 4, 2020

Attn: Samantha Meserve
Program Coordinator, Department of Energy Resources
100 Cambridge Street, Suite 1020
Boston, MA 02114

Re: 2020 APS Minimum Standard Review Comment

Dear Mrs. Meserve:

Kolmar Americas, Inc. ("Kolmar") and American GreenFuels, LLC ("American GreenFuels") thank the Massachusetts Department of Energy Resources ("DOER") for the opportunity to provide comment on the 2020 APS Minimum Standard Review.

I. About Kolmar and American GreenFuels

Kolmar is a marketing, trading, and manufacturing company, whose products range from oil, oil derivatives, gas, gas products, petrochemicals, renewable fuel feedstocks, renewable fuels, and blended diesel fuels. Kolmar has been marketing biodiesel since 2008 and owns biodiesel production assets in New Haven, CT and Port Arthur, TX.

American GreenFuels, a wholly owned subsidiary of Kolmar, is a biodiesel production facility located in the Port of New Haven, Connecticut. American GreenFuels produces biodiesel utilizing a variety of feedstocks, but predominately used cooking oil and other waste oils. With a nameplate capacity of more than 40 million gallons, American GreenFuels is the largest biodiesel production facility in New England. American GreenFuels is pleased to be an active participant in supplying eligible liquid biofuels for use in complying with Massachusetts Alternative Portfolio Standard (the "APS Program").

II. The APS Program Can Be Improved to Better Influence Residential and Commercial Purchasing Behaviors By Eliminating or Raising the Cap on Eligible Liquid Biofuel's Ability to Generate AECs and Progressively Raising the Overall Minimum Standard

Per 225 CMR 16.05(4)(j) Cap On The Available Number of Attributes for Generation Units Using Eligible Liquid Fuel, DOER currently caps a Generation Unit's ability to utilize eligible liquid biofuels to meet its APS requirements at 20% of its obligation. Kolmar and American GreenFuels urge DOER to raise the cap on eligible liquid biofuel's ability to generate AECs. Eligible liquid biofuels like biodiesel effectively reduce greenhouse gas (GHG) emissions and are low-cost tools to do so. Per the independent analysis commissioned by DOER and completed by Daymark Energy, LLC (the "Daymark Analysis"), unlike other technologies incentivized by the APS biodiesel "provide[s] GHG emissions savings (~0.1 MT CO₂ per MWH)." The



Daymark Analysis also notes that “current oil system customers could reduce their emissions by switching to a biofuel blend that is more than the traditional B5 blend that is widely distributed in this region today” and “liquid biofuel can be used in a customer’s existing boiler with no upfront investment.” DOER should avoid limiting the potential of biodiesel to reduce the state’s GHG emissions by capping its participation in the APS.

If DOER does keep a cap in place on eligible liquid biofuels, DOER should raise it sufficiently to ensure financial incentive for higher blends of eligible liquid biofuels and avoid the deflationary impact of the pro-rata reduction in value of the per gallon use of eligible liquid biofuel once the 20% cap is exceeded. Currently, eligible liquid biofuels used in excess of the 20% cap reduce on a per gallon basis the AEC incentive for all eligible liquid fuel used in the applicable period. This depresses the market demand for higher blends, and thus higher greenhouse gas savings of fuels like biodiesel. Only by ensuring a stable AEC value for participating eligible liquid biofuel can DOER ensure growing use of eligible liquid biofuels like biodiesel in the Commonwealth.

Further, to ensure year over year growth in not only eligible liquid biofuel as well as other APS eligible technologies, DOER should progressively raise the overall minimum standards. By doing so, DOER can effectively ensure a growing market for all APS technologies—and most importantly those technologies that ensure significant GHG emissions such as biodiesel.

III. Conclusion

American GreenFuels appreciates DOER’s consideration of these comments and hopes DOER will find them beneficial in its APS Minimum Standard Review. Please do not hesitate to contact me directly, at 203-873-2051 or at e.petersen@kolmar-americas.com if you have any questions or wish to discuss these recommendations.

Sincerely,

A handwritten signature in blue ink, appearing to read "E. Petersen", with a long, sweeping horizontal line extending to the right.

Elias Petersen

Senior Attorney

Kolmar Americas, Inc.