



Comments of New Generation Biofuels on New Jersey Energy Master Plan

July 25, 2008

New Generation Biofuels, a developer and manufacturer of biofuels, appreciates the opportunity to submit comments to the New Jersey Board of Public Utilities on the Energy Master Plan. New Generation Biofuels directs these comments at those provisions relating to liquid biofuels.

I. Description of New Generation Biofuels

Formed in 2006, New Generation Biofuels is fast developing a new technology for the manufacture of a biofuel from renewable vegetable oils and animal fats. We intend to use food crop by-products, used vegetable oil, vegetable oils or animal fats, or biomass grown on marginal lands as feedstocks. New Generation Biofuels' technology will produce a biofuel that to displace traditional diesel fuel and may be used for electric power production. Because of its innovative manufacturing process, New Generation Biofuels will produce a biofuel with substantially lower life-cycle CO₂ emissions than standard biofuels.

Traditional biofuels are produced using an energy-intensive process called transesterification. New Generation Biofuels avoids these energy losses by using an emulsification process instead. New Generation Biofuels' manufacturing process produces several benefits over traditional biofuels. Chief among them are that New Generation Biofuels' product: 1) yields lower net CO₂ emissions per unit of energy than biodiesel; and 2) unlike biodiesel, it can be used neat – *i.e.*, it does not require blending with traditional diesel derived from petroleum.

II. Comment on the Proposed Energy Master Plan pertaining to Action Item 3: Increase amount of biofuels and biomass in the State's energy portfolio

New Generation Biofuels commends the State of New Jersey in that it recognizes a wide variety of biomass resources. Action Item 3 calls for an increase in the use of biofuels for producing electricity and for heating applications. As a company with a second generation biofuel technology we encourage the state to maintain a technology neutral and resource neutral approach for biofuels in the form of solids, liquids and gases.

With regard to electric generation from biomass, most of the discussion in the Plan pertains to solid biomass. Liquid biofuels, however, represent another viable resource for electricity production, as well for heating and transportation. We encourage that any final statutes or regulations permit liquid biofuels as well as solid or gaseous biomass to count toward a renewable electricity requirement.

There are a number of new biofuel technologies being developed and on the verge of commercialization. We encourage the State of New Jersey to not pick early technologies as the ultimate fuel and allow new technologies to enter the market place as well. All new technologies should be allowed to compete on equal footing on the basis of their properties and provable emissions reductions. Specifically, if New Jersey pursues a biofuel mandate as suggested in the Master Plan, we encourage that the mandate be technology neutral and feedstock neutral. Also, given that there is a Federal Renewable Fuel Standard mandate, any state mandate that is developed should be complimentary to that which is already in place.

Further, with regard to biofuel mandates, many states are now requiring that (1) there be a specific percentage biofuel mixed in with each gallon of diesel and (2) that the biofuel qualify as biodiesel as per ASTM D6751. Both requirements create unintended and harmful consequences. First, requiring a specific percentage of biofuel in each gallon effectively excludes biofuels designed to be used “neat,” without any justification. A better approach is to set an aggregate fuel mandate and allow the market to determine how much biofuel is blended into each gallon. The second of these requirements excludes new biofuel technologies that may be comparable to or better than biodiesel but that do not meet the ASTM definition of biodiesel – a test that carries no environmental or performance consequences.

III. Conclusion

New Generation Biofuels is developing a biofuel technology that it believes can produce deeper CO₂ reductions at market competitive prices. New Generation Biofuels requests that the New Jersey Master Energy Plan continue to support biofuel producers to participate in the electricity, heating and transportation markets and that liquid biofuels continue to be included in the renewable portfolio standard.

Thank you for the opportunity to comment on this important issue.

Respectfully submitted,

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