



April 19, 2010

Mr. Jonathan Silver
Executive Director
Loan Guarantee Program Office
U.S. Department of Energy

Dear Mr. Silver:

On behalf of the Renewable Fuels Association (RFA) and our prospective cellulosic ethanol producers, thank you for the time you and your staff took on April 7th to meet with us. We were very gratified by the high level of attendance from the Loan Guarantee Program Office, which we take as an indication of the strong interest in finding solutions to our concerns about the current operation and direction of the U.S. Department of Energy's (DOE) loan guarantee program. We very much appreciated the fact that you and your senior staff personally dedicated so much time to better understand our concerns, and your personal commitment to making loan guarantees to this sector. As agreed, changes to the program will be necessary for that to occur.

While we were not able to find solutions to specific issues during the meeting, participants left the Department with a better understanding of some of the perceived obstacles and a renewed commitment to pursue creative approaches to overcome them. We were heartened by your apparent willingness to seek flexible solutions that can reduce risk while still protecting the U.S. taxpayer. And we greatly appreciated hearing from you that the DOE would exercise some flexibility with the hours of operation requirement during the application process to better reflect the needs of emerging technologies. It was also reassuring to learn during the meeting that cellulosic ethanol biorefinery loan guarantee applications were not being evaluated against applications from sectors of more mature technologies.

The ability of the Loan Guarantee Program Office to lend to the biofuels sector remains, in our view, a critical marker of its success in fulfilling its Congressional mandate. It is striking to note, as veteran oil man T. Boone Pickens observed in testimony on April 15th during a House Ways and Means Committee hearing on energy tax incentives driving the green economy, that oil and oil products now account for three quarters of U.S. trade deficit. Our nation would be immensely more competitive and able to sustain a more robust economy if our economy were not burdened by the need to import nearly two-thirds of our total petroleum consumption requirements.

We appreciate the fact that after several years without closing loans, the DOE's Loan Guarantee Program Office has begun to achieve success in making loans for other types of projects (e.g., power generation) that help to address our goal of reducing greenhouse gas emissions associated with that segment of the overall energy market. But the use of oil as a source of transportation fuel remains the largest single source/use of any form of energy in our entire economy, and we believe it will be critical for the DOE to find way to fund loans for pioneer next generation biofuels projects in order not only to meet greenhouse gas emissions reduction goals, but also to enhance our nation's energy security and promote the broader agenda of economic renewal and domestic job creation.

We are committed to continuing to work with you and your office, and others in the Administration, to find solutions to this urgent challenge, and greatly appreciate your time and attention on April 7th as a critical step in this process.

Sincerely

A handwritten signature in black ink, reading "Bob Dinneen". The signature is fluid and cursive, with a large, stylized "D" at the end.

Bob Dinneen
President & CEO