



BON APPÉTIT
MANAGEMENT COMPANY

food services for a sustainable future®

BENTLEY PRINCE STREET

April 20, 2009

Mary Nichols, Chairman
California Air Resources Board
1001 "I" Street, P.O. Box 2815
Sacramento, CA 95812

Dear Chairman Nichols,

We, the undersigned leaders of California companies and business organizations, commend the California Air Resources Board for creating the Low Carbon Fuel Standard (LCFS), a performance-based standard for transportation fuels. Based in sound science and prudent policy, the standard creates the framework to spur the production of and market for a whole new generation of clean, low carbon transportation fuels – fuels we need. We wholeheartedly support it.

The LCFS will contribute roughly 10% to the state's 2020 greenhouse gas reduction goals, and, as such is a critical component of the state's plan for meeting those goals under AB 32. Because transportation is the single largest source of California's global warming pollution, the state is correct to prioritize this sector. The LCFS ensures that fuel providers make a commensurate contribution to the state's overall emissions reductions.

As designed, the LCFS is an important mechanism for motivating market activity toward production of more sustainable biofuels that deliver the greatest greenhouse gas benefits. It rewards and incentivizes investment in the cleanest low carbon fuels and discourages investment in dirtier, higher carbon fuels. The LCFS accurately and fairly recognizes that not all fuels are equal; accounting for the full "lifecycle" of a fuel, including indirect land use impacts for various biofuels, results in different fuel carbon intensities. Many next-generation fuels such as electricity, natural gas, hydrogen, and superior advanced biofuels made from waste, non-food crops, and new sources such as algae will thrive and advance under the standard because they have lower lifecycle greenhouse gas emissions than gasoline or diesel. Many of these fuels today are the target of significant venture capital investment, and they stand to benefit from the standard's emissions accounting framework.

The LCFS framework – a performance standard not a technology mandate – gives fuel producers freedom to choose compliance strategies that best suit their production plans. This compliance flexibility, together with a market-based system, allows for credit trading, which provides additional flexibility and lowers the cost of compliance. It also provides regulatory certainty for fuel suppliers, innovators, and investors in emerging low carbon fuel technologies without picking winners. The LCFS will spur innovation and economic growth in California. Investment in clean fuel technologies will keep dollars here at home and create local jobs, while contributing to both energy and climate security. Consumers will be less vulnerable to petroleum market swings, and will benefit from more stable fuel prices.

California has already demonstrated it can save energy while growing the economy through its groundbreaking energy efficiency and green tech policies. It is time once again for California to serve as a model to the nation and the world with the Low Carbon Fuel Standard.

Sincerely,

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