



Wisconsin Bio Industry Alliance

April 21, 2009

Mary D. Nichols, Chairwoman
California Air Resources Board
Headquarters Building
1001 "I" Street
Sacramento, CA 95812

Chairwoman Nichols:

The Wisconsin Bio Industry Alliance applauds the efforts of the California Air Resources Board (ARB) to identify ways to curb greenhouse gas (GHG) emissions and to attempt to set the stage for the rest of the country to follow suit. California has consistently been at the forefront of the environmental movement, calling for thorough research of environmental impacts oftentimes in opposition to industry and even to policymakers in the nation's capital. For that, we should all be proud of your efforts.

It is for that very reason that I am writing to you today. As Executive Director of the WBIA, I urge the California ARB to move ahead with the Low Carbon Fuel Standard (LCFS) regulation for energy sources based on their direct effects only, until a time when further studies can be completed on Indirect Land Use Change (ILUC) and the indirect costs of all forms of energy can be analyzed. As it now stands, we cannot make policy decisions based on a flawed ILUC model that is being only selectively applied, before we've had the chance to fully explore the potential ramifications of land use change.

It's irresponsible to only apply the indirect costs associated with a type of fuel to corn-based ethanol alone, without applying the same principles to all types of fuel across the board. Doing so is equivalent to saying electric cars produce zero emissions, without considering that those very same electric batteries were produced through energy resources run on natural gas, or even via coal-fired power plants.

We agree that both direct and indirect land use impacts need to be considered when analyzing the carbon intensity of energy sources. The problem is, the ILUC model that the ARB staff is using applies the indirect costs only to corn-based ethanol—and thus, it ignores the indirect costs associated with all other alternatives.

Furthermore, singling out the ethanol industry could not come at a worse time. Our economy is in deep recession. Shutting down ethanol plants not only kills more jobs, it also destroys all incentive for further (and much-needed) investments in the cellulosic ethanol industry—one of the most promising alternative energy sources that has come about in decades. To put it simply, corn ethanol must increase—or at the very least, maintain—its market share in California to ensure continued support for cellulosic ethanol.



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The ILUC theory is a very controversial one that lacks scientific consensus, and which still needs considerable work before it can be applicable. Rather than applying it today, the California ARB should first work with industry to allocate resources for a thorough research deployment plan that is capable of looking at the ILUC theory from all angles, across all fuel types, in as transparent way as possible. We fully support a research deployment plan that plays out over a time period that is appropriate to answer the questions that still exist among the scientific community with regard to the ILUC theory and to achieve these vitally important goals for the betterment of all of California, and the nation as a whole.

I applaud your efforts to identify environmentally-sound alternative energy sources to reduce our dependence on foreign oil while drastically impacting our carbon footprint. But now is not the time for incorporating this flawed ILUC theory, into the ARB staff report.

Sincerely,

Joshua Morby
Executive Director
Wisconsin Bio Industry Alliance