



April 13, 2009

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

Re: Support and Comments for Proposed Low-Carbon Fuel Standard

Dear Chairwoman Nichols:

Environment California strongly supports the Air Resources Board's (ARB) proposed low-carbon fuel standard regulation as a critical component of California's fight against global warming. This regulation will propel California into a new generation of clean technologies and fuels by requiring fuel providers to look beyond conventional gasoline and diesel, which are responsible for nearly a third of California's total global warming pollution.

ARB's proposed LCFS regulation will substantially reduce global warming emissions by providing a framework through which California can diversify transportation fuels, increasing the use of ultra-low carbon fuels. The proposed regulation will also reduce the use of new transportation fuels that are high in carbon, such as coal-to-liquid fuels and gasoline produced from unconventional sources of petroleum such as oil shale and tar sands—both of which have a greater global warming impact than oil produced from traditional sources. At the same time, the LCFS will also drive the development of new vehicle technologies that reduce global warming pollution, including plug-in hybrid and battery-electric vehicles.

However, in designing and implementing the low-carbon fuel standard, California must be sensitive to the impacts of fuel production, distribution and use over the entire product lifecycle. For example, dramatically increasing the production of biofuels such as ethanol and biodiesel can increase the environmental impacts of agriculture and lead to competition between food and fuel for precious resources. In addition, some of these fuels may actually increase global warming pollution, once emissions from land-use changes, crop production, refining and transportation to market are taken into account. By designing the program such that a variety of low-carbon energy sources can contribute to achieving the targets, by rigorously evaluating the lifecycle global warming emission impacts of various fuels, and by including sustainability standards designed to minimize environmental harm, California can reap the benefits of reducing global warming pollution while transitioning the state away from petroleum.

Consequently, Environment California strongly supports ARB's inclusion of indirect land use changes in the proposed LCFS regulation. This inclusion is based on strong science and stringent environmental regulations, conservatively underestimating the number for indirect land use emissions. A low-carbon fuel standard regulation without the inclusion of indirect land use changes would neglect the full lifecycle and include fuels with greater emissions than gasoline – thus undermining its purpose.

California has long been a demonstrated leader in the fight against global warming. The LCFS regulations adopted by ARB now will serve as a model for others in the future; it is critical that it is strong and comprehensive. Therefore, Environment California recommends that ARB consider the following:

- Continue to direct the state to avoid the employment of fuels with higher carbon intensity, such as those derived from oil shale, tar sands and coal. The state must not promote fuels that will deepen the impacts of global warming.
- Drive innovation for the long term, building a strong ultra-low carbon fuel strategy into the LCFS and developing fuels with long-term potential. Fuels policy should promote the development of clean, alternative, ultra-low carbon fuels and technologies for the long term, not just blending of marginally beneficial biofuels in the short term.
- Include provisions to mitigate environmental costs and social impacts. Fuels policy should protect against negative impacts to air quality, water quality, water quantity, biodiversity and food scarcity. Therefore, ARB must include robust accounting for carbon emissions throughout the entire lifecycle (well-to-wheel) of every fuel and regularly assess impacts once a policy is enacted.

As California embarks on its commitment to reduce pollution statewide by 2020, it is clear that nothing is more important than taking immediate action to begin cutting global warming pollution from the state's biggest sources of pollution. Transportation comprises 38% of statewide greenhouse gas emissions; the LCFS regulation is critical for California to meet its 2020 emissions reductions goals as set forth by AB 32.

Environment California applauds ARB's work to propose a low-carbon fuel standard and looks forward to working with the board to adopt and implement a strong LCFS regulation as part of the transition to a clean energy economy.

Sincerely,

Caitlyn Toombs
Global Warming Associate