

February 12, 2014

Chairman Mary Nichols and board members
California Air Resources Board
1001 "I" Street
Sacramento, CA 95814

Dear Chairman Nichols and board members,

On behalf of our 73,000 supporters in California, the Union of Concerned Scientists (UCS) urges you to support moving forward with the re-adoption process for the Low Carbon Fuel Standard (LCFS) at the Air Resources Board (ARB) meeting on February 19th.

A year ago more than 100 leading California climate scientists and economists sent the attached letter urging the Governor and Legislature “to adopt a science-based, heat-trapping emissions target for 2030 that puts California on a path to meeting our 2050 goals.” The letter also highlighted the need for additional policies that “promote renewable energy, low carbon fuels, and cleaner transportation.”

The LCFS is a critical element in the comprehensive approach California has taken to achieve the state’s climate goals while continuing to thrive economically. Readopting the LCFS will address some technical and legal obstacles that have slowed progress on developing and deploying clean fuels and put California back on track for a 10 percent reduction in carbon intensity by 2020. The LCFS also provides critical support for the Governor’s call last month to cut petroleum use in cars and trucks in half by 2030.

Resolving these legal and technical issues with the current LCFS is critical, but to create a sustainable and stable market for clean fuels, state policy should focus on a time horizon longer than 5 years. We therefore urge the ARB to begin developing the next phase of the LCFS out to 2030. Such long-term policy support in conjunction with similar policies enacted by Pacific Coast Collaborative partners in Oregon, Washington and British Columbia will create a large, stable and steadily growing market for clean fuels that will support investment and innovation and bring down the cost of clean fuels.

UCS supports several important technical changes have been proposed to strengthen the LCFS including: (1) an update of the lifecycle analysis based on the best available science, (2) innovative crude and refinery provisions that will encourage the oil industry to reduce emissions from its own supply chain, and (3) a cost containment mechanism that will maintain a stable investment climate for low carbon fuel production while ensuring that any unforeseen delays will not destabilize the policy or hurt California consumers.

UCS has been performing analysis and providing technical feedback on the LCFS since its inception, and we are confident that diverse sources of low carbon fuel are available to

achieve the 10 percent carbon intensity target by 2020. I am attaching a recently released study on LCFS compliance from the consulting firm Promotum that UCS commissioned together with the Natural Resources Defense Council and the Environmental Defense Fund. The study finds that compliance is indeed feasible through 2020 and beyond. The study also demonstrates that in order to ensure investment in the cleanest fuels it is important to establish regulatory stability out beyond 2020. It is also important to ensure that the cap price in the cost containment mechanism is not so low that it discourages investment in the cleanest fuels. The proposed \$200 per ton cap is a minimum to ensure the clean fuels industry has a strong incentive to make the large investments needed to scale up the clean fuels needed to keep moving forward beyond 2020.

Thank you for your consideration. I am also attaching several recent UCS publications that discuss how the LCFS fits into the broader suite of transportation policies, recent progress in cellulosic biofuel commercialization, and the latest developments on indirect land use change. Please let me know if you have any questions about our analysis.

Sincerely,

A handwritten signature in black ink, appearing to read 'J. Martin', with a stylized flourish at the end.

Jeremy Martin, Ph.D.
Senior Scientist and Fuels Lead
Clean Vehicles Program

Enclosures:

Open Letter on Climate Change from California Climate Scientists and Economists
Promotum study on LCFS compliance
UCS fact sheet "Driving Progress, Fueling Savings"
Five UCS blogs on biofuels technology, policy and indirect land use change emissions