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December 23, 2008

Commissioner Mary Nichols, Chair
California Air Resources Board
Headquarters Building
1001 "I" Street
P.O. Box 2815
Sacramento, CA 95812

Dear Commissioner Nichols:

I am writing in regard to your ongoing regulatory process for development of a Low Carbon Fuel Standard (LCFS) in California. The process itself, and its results, are of great interest to the Commonwealth of Massachusetts because we are engaged in our own development of a LCFS, working with other states in the Northeast and Mid-Atlantic, and plan to rely in part on your results. We understand the complexity involved in implementing a LCFS, and recognize the intensive efforts that California is making to do so in a manner that yields the maximum reduction in greenhouse gas emissions.

Last July Massachusetts passed legislation, Chapter 206 of the Acts of 2008, "An Act Relative to Clean Energy Biofuels." Section 6 of the new law begins:

"The governor and the secretary of energy and environmental affairs shall develop and enter into, to the extent possible, an agreement among those states participating in the Regional Greenhouse Gas Initiative, for the purpose of implementing a low carbon fuel standard hereinafter referred to as LCFS, for transportation fuels..."

The section continues:

"(4) the commonwealth shall, with the other states participating in the agreement, examine the regulations and implementation of a low carbon fuel standard in California and other states and shall consider ways to coordinate and issue public findings on both such matters, and shall, if applicable, **use in the agreement the life-cycle analysis methods employed by the California Air Resources Board to determine the carbon intensity of fuel.**" [emphasis added]

In addition, in November 2007 Governor Deval Patrick, along with House Speaker Sal DiMasi and Senate President Therese Murray, created an "Advanced Biofuels Task Force." The Task Force issued its report on April 16, 2008. One of its priority recommendations was that the Commonwealth should:



“Prioritize efforts to achieve near-term implementation of a regional, technology-neutral, and performance-based Low Carbon Fuel Standard (LCFS)... The Standard should include lifecycle greenhouse gas reduction standards...” [page 56]

The report also recommends that the Commonwealth:

“Develop standards for lifecycle evaluation that consider the carbon and environmental impacts of biofuels, including potential impacts on agricultural, forest, and other land use in Massachusetts and on a global basis, using definitions similar to those employed in California and included in the new federal energy law. These evaluations must include both direct and indirect impacts, as well as consideration of impacts on environmental justice. Due to the complexity of lifecycle analysis, to the extent possible, **Massachusetts should make use of analyses done by other parties, including the California Air Resources Board, the U.S. EPA, and the European Union.**” [page 36, emphasis added]

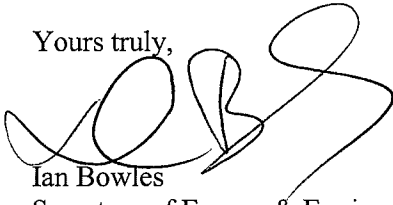
In view of our legislation and Task Force report, we particularly wish to emphasize the importance of your efforts to quantify the impacts of changes in land use, as discussed for example in your document, “Life Cycle Analysis and Land Use Change Effects,” dated October 16, 2008.

We recognize that precise quantification in the area of land use change is difficult, as demonstrated by the wide range of possibilities given in slides 22 and 23 of the October 16 document. However, we believe that recognition of such effects, and their inclusion in the comparative lifecycle emission values for different fuels, is critical to implementation of a LCFS that yields real reductions in greenhouse gas emissions. Without counting such impacts, a LCFS could well yield perverse results, increasing emissions rather than reducing them. For this reason, we respectfully urge that the ARB select the best estimate that it can derive for land use impacts, and include them in its lifecycle calculations, despite the fact that there may be uncertainty around the exact numbers chosen.

We are most appreciative of the extensive resources that California, through the ARB, is devoting to this effort, and expect that we and many others will be the beneficiaries of your hard work.

Feel free to contact me and my staff if clarification or amplification of this letter would be helpful.

Yours truly,



Ian Bowles
Secretary of Energy & Environmental Affairs

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