



August 28, 2009

John Courtis
Manager, Alternative Fuels Section
California Air Resources Board
1001 I Street, P.O. Box 2815
Sacramento, CA 95812
Submitted via email to: jcourtis@arb.ca.gov

Dear Mr. Courtis,

As the national trade association for the U.S. ethanol industry, the Renewable Fuels Association (RFA) appreciates the opportunity to comment on the California Air Resources Board's (CARB) Proposal for an Expert Workgroup. As specified by Board Resolution 09-31, the purpose of the work group is to refine and improve the land use and indirect effect analysis conducted for the Proposed Regulation to Implement the Low Carbon Fuels Standard (LCFS). We are encouraged by CARB's recognition that the indirect effects analysis conducted for the LCFS would benefit from critical evaluation and refinement by outside experts. Given the tremendously uncertain nature of estimating indirect land use change (ILUC) and other market-mediated effects, we believe it is critical that CARB assemble an expert work group that is truly committed to the task of judiciously assessing and improving the agency's analysis.

Our comments on specific elements of the CARB expert work group proposal presented August 5, 2009, are below:

Overall Structure

CARB proposes that the expert work group be comprised of approximately 20 members. Academic literature on organizational behavior and task force dynamics suggest the optimal size for groups of this nature is 10 to 12 members.¹ Therefore, RFA is recommending that the "core" expert work group be limited to 12 members. While we support CARB's proposal to use a professional facilitator to organize and execute the work group meetings, we also recommend that the work group elect a chairman. Electing a leader enhances task force cohesion and accountability. RFA supports the CARB proposal to create several technical sub-groups that can focus exclusively on specific aspects of the agency's indirect effects analysis and report back to the "core" group with recommendations.

Further, we support CARB's recommendation that all work group and sub-group meetings be open to the public and that minutes of each meeting be recorded and made publically available. We

¹ e.g., Hellriegel, D., and J.W. Slocum, Jr. Organizational Behavior. 10th ed. Thomson South-Western, 2004.

encourage CARB to ensure work group members are intimately involved in the drafting and review of the final deliverable report.

Proposed Member Selection Criteria and Process

The CARB proposal states that work group members must have the skills necessary to conduct “**objective, technical-level analyses**” (emphasis added). In order to maintain the objectivity called for by the CARB proposal, we believe that CARB should be fully aware of the potential conflicts of interest that could arise as a result of a candidate’s selection to the work group. We recommend that disclosure of potential conflicts of interest (e.g., retainers, contractual arrangements, special grants, etc.) be a prerequisite of the application process. Additionally, CARB should carefully consider the appropriateness of allowing the participation of researchers who performed analysis for the LCFS regulation under contract (or sub-contract) with CARB. We are not suggesting that a potential conflict of interest should flatly disqualify a candidate from consideration; rather, we are simply encouraging CARB to strongly consider potential conflicts of interest in its selection process and we are advocating that potential conflicts of interest be publicly declared.

Potential Topics for Evaluation

In general, RFA is supportive of the potential topics for evaluation identified by CARB staff. Due to the relatively short timeframe allotted to the work group effort and the complex nature of the CARB indirect effects analysis, we believe the work group should immediately prioritize the topics for evaluation. Priority should be given to those issues that could most significantly alter the results of CARB’s original analysis. In addition to the potential topics for evaluation outlined by CARB in the August 5 work group proposal, RFA recommends that the group and sub-groups also examine the following issues:

1. GTAP
 - a. Effects of assumptions used in exogenous yield change improvement method on land use results (i.e., equivalent yield improvements in ROW vs. US)
 - b. Effects of updating land inventory in GTAP (e.g., adding cropland/pasture, CRP land, idle land, etc.) New work from Purdue and others on this issue should be available for consideration.
2. GREET
 - a. Assumptions on lime application and emissions factors
 - b. Assumptions on trends in fossil energy use at ethanol production facilities
 - c. Effect of increasing crop yields on direct GHG emissions
 - d. Energy allocation vs. displacement approach for co-products
 - e. Inclusion of stover and silage in energy allocation for corn
 - f. Changes and new trends in crop farming/livestock production (i.e., practices affecting agricultural GHGs such as no-till or conservation tillage, use of slow-release fertilizers, use of manure from cattle fed DDGs, trends in double-cropping or winter-cover crops that significantly reduce fertilizer N₂O, etc.)
3. Other Land Use Change Topics
 - a. Comparison of Winrock vs. Woods Hole emission factors
 - b. Above-ground carbon storage derating factors (i.e., sequestration in building products, etc.)
 - c. Examining a time accounting method that accounts for the increasing social cost of carbon
 - d. Effect of feeding distillers grains on GHG emissions from livestock
4. Other Fuels
 - a. Market-mediated/economically-derived effects *other than land use change*

- b. Marginal vs. marginal displacement/baseline approach, rather than marginal vs. average
- 5. Comparative Modeling Approaches
 - a. Consequential vs. attributional modeling

Again, the RFA appreciates the opportunity to provide comments on CARB's expert work group proposal. We look forward to continuing to work with CARB to improve and refine the lifecycle analyses underlying the LCFS regulation.

Sincerely,

A handwritten signature in black ink that reads "Geoff Cooper". The signature is written in a cursive, flowing style.

Geoff Cooper
Vice President, Research & Analysis

Cc: Dean Simeroth
Chief, Criteria Pollutants Branch

Jim Duffy
Air Resources Engineer

Manisha Singh
Air Pollution Specialist