



March 18, 2009

Mary Nichols, Chair  
California Air Resources Board  
California Environmental Protection Agency Building  
P.O. Box 2815  
Sacramento, CA 95812

Dear Chairperson Nichols,

I am writing regarding the development of the Low Carbon Fuel Standard (LCFS). Sustainable Conservation is supportive of this important, groundbreaking regulation as envisioned by Governor Schwarzenegger. When announced by the Governor, one of the benefits of the proposed regulation was to increase five-fold the amount of renewable fuels used and produced in California. We believe this is an important, if challenging, goal.

California agriculture can and should play a key role in not only providing a sustainable food supply to the United States and indeed the world, but also meeting a portion of our transportation fuel needs. That is an effort we are actively engaged in with partners at the California Department of Food and Agriculture, UC Davis and others. Specifically, we have several projects on the ground to demonstrate the potential of sustainably produced biofuels in California with minimal water use and without a significant, or possibly any, food-for-fuel trade-off.

We recently obtained a copy of a letter signed by over 100 scientific experts from universities and national labs across the country, including members of the National Academy of Sciences. They make a compelling case against an indirect land use penalty based on current information. We are also sympathetic to the case made by some other organizations concerned about the environmental impacts of current production systems. As such, we recognize that there is a lack of scientific consensus and understanding in regard to the "indirect" effects of biofuels production, and that the model currently in use has not been validated against real world data and is therefore imperfect.

Whatever regulations are adopted, California, under the California Air Resources Board's leadership, should initiate and lead an effort to work with national and international experts to 1) more fully understand the complicated links between agriculturally derived fuels in the United States and deforestation in other parts of the world; and 2) assess the best ways to mitigate deforestation and other habitat destruction across the world (as a result of biofuels production). Some research by respected labs and universities shows that biofuels production on degraded agricultural land can provide opportunities for

positive land use change in emerging economies if it is done right and the proper incentives are given; this may also be true for California.

We also believe that a prudent approach for the LCFS is to promulgate a robust regulation based on direct carbon effects, including direct land conversion for feedstock production in California. In addition, promulgating an LCFS with selectively enforced "indirect" effects is warranted if there is sufficient scientific basis for it. We are concerned that may not be the case currently and this could lead to at least two unintended consequences: 1) the potential for increased CO<sub>2</sub> as refiners will be compelled to reduce biofuels use and increase petroleum use in the near term; and 2) the premature inclusion of an emission factor for market driven effects before there is better understanding of the science across all fuel pathways will stifle innovation that will be necessary to meet the goal of a five-fold increase in renewable fuels use in California.

We know you are faced with a difficult decision and that the issues are complex and controversial. We are happy to provide any additional perspective that may be useful.

Sincerely,



Ashley Boren  
Executive Director

cc: Governor Arnold Schwarzenegger  
Linda Adams, Secretary, California Environmental Protection Agency  
Mike Chrisman, Secretary, California Natural Resources Agency  
A.G. Kawamura, Secretary, California Department of Food and Agriculture  
Karen Douglas, Commissioner, California Energy Commission  
James Boyd, Commissioner, California Energy Commission  
Low Carbon Fuel Standard public docket