## CALUMET PROJECT

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April 6, 2009



Mary Nichols Chairman, California Air Resources Board P.O. Box 2815 Sacramento, CA 95812

RE: The California Low Carbon Fuel Standard

ORIGINAL: Copies:

Board Clerk

**Executive Officer** 

Chair

Dear Chairman Nichols:

To avoid the worst consequences of global warming, California must not only make our cars and trucks more fuel-efficient and less polluting—we must also cut greenhouse gas emissions from the transportation fuels that power our vehicles. We applaud the California Air Resources Board for its work in developing the proposed Low Carbon Fuel Standard regulation which can spur the creation of a whole new generation of clean transportation fuels and is a critical component of the state's plan for meeting its 2020 greenhouse gas reduction goals under AB 32.

To ensure we obtain real reductions in carbon and achieve the full economic benefits of the LCFS without sacrificing California's public lands and sensitive ecosystems, it is critical to avoid pitfalls that would compromise the success of the regulation. Five issues warrant particular attention:

- We strongly support ARB including in its proposed regulation the impacts of using land to produce biofuels. For California to be a global leader in reducing pollution from fuels, the LCFS must account for all major sources of emissions. For some biofuels, emissions from indirect land use change (iLUC) are a major source of pollution; California must include these emissions for the LCFS to be credible. We therefore appreciate that ARB has accounted for iLUC in the proposed regulation.
- Ensuring the LCFS provides real pollution reductions and ushers in a new generation of ultra-low carbon fuels. California must ensure that the LCFS generates true reductions in global warming pollution beyond current state and federal laws, and puts the state on a trajectory towards meeting our long-term emission reduction goals. If fuel providers meet federal fuel requirements by merely shuffling low carbon biofuels into California, no real carbon reductions will result from the LCFS, and fuel providers may have little incentive to develop ultra-low carbon alternatives. The LCFS must be a platform for bringing ultra-low carbon fuels into the state's energy system. Therefore, we request that ARB either affirmatively include ultra-low carbon fuel requirements or ensure sufficient incentives for innovation are embedded in the LCFS market structure.

- Ensuring minimum land safeguards. The LCFS should include a definition of renewable biomass to help prevent unintended incentives for fuel production that result in ecological harm to our federal lands, forests, and other sensitive native ecosystems. To ensure maximum consistency between state and federal biofuels policy, the definition of renewable biomass should be the same as that set forth in the RFS.
- **Providing incentives for sustainable fuels.** The final regulation should direct ARB staff to develop metrics to ensure the LCFS provides incentives for the development of broadly sustainable alternative fuels, while avoiding unintended support for fuels with negative impacts on our forests, agricultural lands, and other important natural resources.
- Protecting air quality and public health. To avoid an unintended worsening of air quality and threats to public health from new fuel production or fueling infrastructure, the LCFS should include requirements for state and local review to ensure that the appropriate mitigation measures are taken. In addition, the LCFS should require a comprehensive public health analysis of the fuels and infrastructure used to comply with the regulation using updated tools and data.

Thank you for your work to make California a leader in reducing the pollution that causes global warming, and for your consideration of these comments and suggestions.

Sincerely,

Cc: Governor Arnold Schwarzenegger