

**Statement of the
Northeast States for Coordinated Air Use Management
on the California Air Resources Board's Consideration of
the Proposed Regulation to Implement the Low Carbon Fuel Standard**

**April 23, 2009
Sacramento, California**

Good morning. My name is Matt Solomon. I am here today representing the Northeast States for Coordinated Air Use Management (NESCAUM). NESCAUM is an association of state air quality agencies in Connecticut, Maine, Massachusetts, New Hampshire, New Jersey, New York, Rhode Island, and Vermont. NESCAUM strongly supports California's proposed approach for a Low Carbon Fuel Standard (LCFS). We believe that the proposed regulation will help to achieve California's greenhouse gas reduction objectives while serving as a model for other jurisdictions. We urge the Board to expeditiously adopt the proposed regulation.

The NESCAUM states are committed to aggressive action on climate change. Moreover, we recognize that a LCFS can be an important tool to reduce greenhouse gas emissions from the transportation sector, in concert with vehicle emission standards and complementary policies to reduce travel demand. In this light, the NESCAUM states, along with Delaware, Maryland and Pennsylvania, have been evaluating the potential for a regional low carbon fuels program in the Northeast and Mid-Atlantic regions, and we have been closely monitoring California's efforts.

We strongly support staff's recommendation to include the indirect effects of land use change when calculating fuel carbon intensity. Recent research has shown that significant emissions might indirectly accompany the conversion of land for biofuels production. The proposed regulation appropriately counters this risk by accounting for these indirect effects. We note that this does not implicitly preclude a particular fuel

pathway from consideration; the regulation simply ensures that only those biofuels with clear greenhouse gas benefits will be eligible for credit.

While additional research might lead to refined estimates of the lifecycle impacts of certain fuel pathways, the regulation as proposed will immediately improve the outlook for low carbon fuels in California by ensuring that producers of current and future transportation fuels take steps to minimize the emissions associated with their products. We note that the carbon intensity of gasoline and diesel fuel could increase in future years as greater volumes of oilsand and other non-conventional feedstocks enter the market; meanwhile, efforts to commercialize alternative fuels will continue to move forward with or without a low carbon fuels policy. The LCFS will signal to producers of the next generation of fuels that lifecycle carbon emissions must be counted and controlled. Moreover, the regulation will enable ARB to keep track of critical information on lifecycle greenhouse gas emissions, and to accommodate future improvements in analytical methods or production processes.

In conclusion, we commend you for your proposal to implement a Low Carbon Fuel Standard in California. We stand ready to assist the Board in its efforts to take action toward implementation of the standard.

Thank you.