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CARB LCFS Question/Statement

Do you people really think that your report in real life is going to save us \$11 Billion by 2020 and \$3.4 after that annually? If so why hasn't it been done. Anyone who can make \$3.4 billion annually would get right down to business, but that's not the case

John Reilly of MIT's Sloan School of Management who peer reviewed your analysis says the opposite. Reilly wrote in his conclusion under "Broader Issues" that "I am concerned that California proposes this inefficiency approach as a model for other jurisdictions and that the analysis in this report fails to demonstrate the inefficient nature of this proposed policy... The economic analysis was done incorrectly. It does not meet technical standards of economics. The Base line assumptions are mutually inconsistent, and if these assumptions were executed in a proper model it would show that the LCS was unnecessary."

You may think that corn ethanol is passé as it should be. It was tried by Henry Ford in about 1908 where farmers could distill their excess corn and power their cars and tractors, but Ford recognized it wasn't economical.

In 1980 the Executive Officer of the CARB, this very body, wrote an SAE technical that showed the same analysis, ethanol cannot compete with Ethanol, even though the politicians and snake oil salesman try to push this elixir as the savior of our energy needs. It is just too expensive and it is not carbon neutral.

The same reasoning that produced the ethanol mandate today were the same incorrect reasons that were cited in the Austin, Rubenstein paper. It just doesn't work or make economic sense.

Now the board thinks that the solution is cellulosic ethanol. There is not one commercial plant in operation. Just last month, the National Renewable Energy Laboratory says the cheapest you can make cellulosic ethanol for is \$5.14 a gallon equivalent to gasoline, which is almost double the \$2.70 per gge estimated by CARB staff. The staff claims that ethanol saves money is by starting with this unrealistically low cost estimate and then assuming that the current \$1.01 per gallon tax subsidy continues forever but should not be counted as a part of the cost.

In addition to the totally unrealistic cost estimate for ethanol, there are two other problems.

First part of the CARB's plan is for 19 plants none of which will ever be built due to environmental regulations. NIMBY will raise its head. Second if the plants are ever constructed somewhere else, it has to be trucked, rather than shipped by pipeline because it is too corrosive and attracts water.

Why do you need regulation if this is such a wonderful profit making idea? Never in the history of the United States has it required government coercion to make a profit. What makes this so different? Hey with our state budget in such bad shape, perhaps the state should do this and use the 3.4 billion for budget shortfalls. But if it doesn't you should stop telling other people what to do because you think you are so smart, which would be in fact a misnomer.

If California is to save \$3.4 billion a year then energy on a gasoline equivalent per gallon should go

down by at least 20 cents a gallon. Right? Or is there another plan?

20 years ago this same body said at that point that gasoline would be replaced by methanol. It was obvious to you. What happened? I guess you were wrong as you are absolutely wrong about cellulosic ethanol.

You are the same bodies that required reformulated gas that started MTBE. Brilliant. You certainly have a good track record here.

Now to the purpose. Have you run models to determine what the potential reduction of greenhouse gases will have on "global warming" as it exists in the U.N models? It is not in your 700 pages that I downloaded.

However I do know that a model was run using the U.N model by a meteorological scientist and the resultant benefit was One One thousandth of a degree and amount so small it couldn't be measured. That means if the entire country did it, it would have an effect of 1/100th of a degree, another unmeasurable amount. So what's the point to pay \$5.14 for an energy source that will do absolutely nothing? Your idea not only doesn't make economic sense, it fails to offer any benefit.

Perhaps the real purpose is something else and imposing your way of life on other people. It is obvious in two places, first in Daniel Sperling's article LCFS where he clearly states he wants to reduce vehicle use, require car pooling and make people use public transportation, none of which are his business or that of the state, those ideas belong to an individual's freedom and finally as stated in a recent Sacramento Bee profile "Sperling dates his fondness for alternative modes of travel to his years in the Peace Corps in Honduras when he traveled on small buses, or jitneys, plying ad hoc routes. Is that his vision for California, stepping back in time about 100 years? Oh how wonderful life was without electricity, telephone, radio, TV A/C and every other modern convenience we know today.

California has an unemployment rate of 11.2%. This plan's insanity ought to drive that number to 15%. Maybe you are really trying to be a leader in that statistic, too.

By the way the dissent is growing everyday with respect to global warming, Not only did 700 scientists recently become dissenters, but Frances own preeminent scientist and former believer has changed his mind his name is Claude Allegre and he about to become the new environmental minister of France. The Nation of France is about to become a dissenting nation.

Respectfully submitted

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