

California First in Nation to Adopt a Low Carbon Fuel Standard

On April 23, 2009, the California Air Resources Board (CARB) adopted a reformulation of diesel fuel to a [low carbon fuel standard](#) (LCFS) to reduce greenhouse gas emission from transportation. Click here to read the industry letter, spearheaded by IWLA, sent to CARB, Governor Schwarzenegger, and all members of Senate and Assembly Transportation. Click here to read more about the LCFS program.

The next generation of less carbon intense fuels will come from the development of technology that uses algae, wood, agricultural waste (straw, invasive weeds such as switch grass), and municipal solid waste. But Severin Borenstein, director of the Energy Institute at the University of California, Berkeley, said there's no certainty that these emerging technologies will be ready to meet the demand.

The first-in-the-nation carbon standard is a key element in California's goal of reducing by 2020 overall volume of greenhouse gases by 25 percent, as required by a 2006 state law. The CARB standard dictates that the "carbon intensity" of fuels be reduced starting in 2011, ramping up to a 10 percent cut by 2020.

CARB believes the standard will encourage the development of hydrogen, electricity and bio-fuels to power cars and trucks. CARB chairwoman Mary Nichols says, "The new standard means we can begin to break our century-old dependence on petroleum and provide California with greater energy security. The driver to force the market toward greater use of alternative fuels will be a boon to the state's economy and public health. It reduces air pollution, creates new jobs and continues California's leadership in the fight against global warming."

On April 25, 2009, the Sacramento Bee reported, "The petroleum industry and some economists say the new standard adopted by the state Air Resources Board on Thursday will cost motorists billions, because blending gasoline will become considerably more complicated."

Every time California has instituted stricter clean-air standards for motor fuel, "they all have had a cost associated with it," said Cathy Reheis-Boyd, chief operating officer at the Western States Petroleum Association. "I know there's going to be a cost associated with this. According to Reheis-Boyd, a major problem is that CARB standards will limit use of corn-based ethanol in gasoline, which creates a serious hurdle for refiners, and we have no way to know how we're supposed to comply with this."

Patty Senecal of IWLA's California government affairs and a host of IWLA members participated in the CARB workshops over the past three months; and a number of these members gave public comments about (1) their previous experience in 1993 when diesel was reformulated and engines were damaged, prices spiked, and fuel shortages. IWLA understands the importance of reducing greenhouse gases, but does not support a single-state fuel that has not been in-use tested with all truck engines. IWLA was instrumental in gathering 1200 signatures seeking state indemnification for end-users, as in 1993, to re-pay the industry for damaged equipment.