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Union of Concerned Scientists

June 8, 2007

James Boyd, Vice Chair; Presiding Member, Transportation Committee, CEC  
Jeffrey Byron, Commissioner; Associate Member, Transportation Committee, CEC  
Robert Sawyer, Chairman, ARB  
California Energy Commission  
Docket Office  
Attn: Docket 06-AFP-1  
1516 Ninth Street, MS-4  
Sacramento, CA 95814-5512

Dear Commissioner Boyd, Commissioner Byron, and Chairman Sawyer:

On behalf of the above-listed organizations, thank you for the opportunity to comment on the materials presented at the May 31, 2007 California Energy Commission and California Air Resources Board workshop to develop a state plan to increase the use of alternative transportation fuels, pursuant to AB 1007. In addition to this joint letter, some of our organizations are submitting separate comments.

AB 1007 lists the adverse effects of California's reliance on petroleum fuels: "significant degradation of public health and environmental quality due to releases of air and water pollutants." The bill notes that "Clean alternative fuels have the potential to considerably reduce these impacts and are important strategies for the state to attain its air and water quality goals." The strategic use of clean alternative fuels can also help the state meet additional goals, including reducing global warming pollution, promoting energy security, and driving investment and research into clean energy and clean technologies.

We commend the CEC and ARB for their analysis to evaluate the full fuel cycle impacts of the various transportation fuels. The draft analysis was released in February 2007 and the public was given a month to comment on the assumptions in the report. CEC and ARB received numerous constructive comments, and three months after the end of the comment period, the report is still being revised. We look forward to the release of the final life cycle analysis report later this month.

We also commend the state and CEC staff in particular, for undertaking such an ambitious analysis to evaluate the potential for alternative fuels to penetrate the transportation fuels market. The scenario analyses extend to 2050, beyond the mandate of AB1007 to set goals for 2012, 2017, and 2022.

Staff has made good efforts to reach out and seek input from stakeholders as it prepares the individual fuels' market scenarios. We have appreciated staff's efforts to engage us in each step. The remaining challenge, however, is that these fuel scenarios must be merged into an integrated report, and there must be consistency in how the data are analyzed and presented so that the report can be evaluated as a whole, not just as individual scenarios.

We are deeply concerned that the draft report combining all scenario analyses was not provided in full before the May 31 workshop and is still not available in full even though today is the deadline for comments. On May 31, we saw many of the analyses for the first time—in a workshop setting. The public was then given only one week to comment on the scenarios, with the final report slated for release next week. We view this as a serious flaw in the process. The unreasonable timeline has precluded a thorough public and stakeholder review of the integrated report and its policy recommendations for increasing alternative fuel use.

Because of this unfortunate circumstance and our limited ability to conduct a thorough final review before the deadline, we provide several general recommendations below.

- **Delay final report and allow sufficient time for public review**

Since there was no draft report available to the public as of May 31, it is impossible for industry and the public to evaluate whether the report accurately reflects the best technical analysis. Developing feasible pathways and providing clear policy recommendations to achieve substantial increases in use of clean alternative fuels is the core element of this report, and CEC and CARB should be careful to provide ample time for public review. Rather than rushing the analysis and foregoing critical review, the CEC and ARB should issue a draft or interim report and provide sufficient time for review and comment. This approach would also allow further time for ensuring that there is consensus around the recommendations made in the report.

- **Make recommendations to the California Legislature on increasing use of only those alternative fuels that have clear global warming, air quality, health and environmental benefits**

The report will serve as the foundation for recommendations to the Legislature on future alternative fuel use in California. As such, the CEC and ARB should promote only those fuels that achieve significant reductions in global warming pollution, provide clear environmental benefits over conventional petroleum, and protect against any backsliding

on state or federal air quality and public health commitments. The recommendations should not include controversial fuels that are known to damage the environment (such as coal-to-liquids).

In the case of fuels for which existing scientific data demonstrates the potential for adverse air quality and/or environmental effects, CEC and ARB should establish a plan and timeline to review and evaluate the data or seek additional information to clarify the impacts and resolve concerns before recommending widespread use of these fuels in California.

- **Do not promote coal-to-liquids**

Without sequestration, coal-to-liquids (CTL) can result in more than a doubling of global warming pollution relative to conventional gasoline. Even with sequestration, EPA estimates that CTL has higher greenhouse gas emissions than gasoline (about 4% on an energy-equivalent basis). The state's acceptance of CTL-based synthetic fuels without requiring mitigation of the associated greenhouse gas emissions would be inconsistent with the state's greenhouse gas performance standard for electrical power generation, and incompatible with the state's Low Carbon Fuel Standard. This approach to the production of synthetic fuels also comes with other major associated environmental impacts.

- **Provide clear and consistent presentation of assumptions underlying the modeling and results**

There was little consistency in the presentation of modeling data of each scenario at the May 31 workshop. This made it very challenging for the public to understand and compare the assumptions made in each scenario. The CEC and ARB should ensure that the scenarios rely upon consistent data and that the data is integrated across the individual scenarios.

- **Low carbon fuel standard should provide aggressive greenhouse gas reductions targets and incorporate sustainability criteria.**

The target greenhouse gas reduction from the low carbon fuel standard should provide emissions reductions beyond California's vehicle greenhouse gas standards, and there should be a periodic review of the standards to evaluate whether the target is sufficiently aggressive. In addition, the standard should be accompanied with sustainability criteria to protect sensitive lands and promote sustainable, low carbon fuel production.

We appreciate the opportunity to work with CEC and CARB to promote the prudent use of alternative fuels and to transition California from high-carbon and petroleum-based fuels to cleaner, more sustainable alternatives. Thank you for your consideration.

Sincerely,



Bonnie Holmes-Gen  
American Lung Association of California



John Shears  
CEERT



Tim Carmichael  
Coalition for Clean Air



Danielle Fugere  
Friends of the Earth



Patricia Monahan  
Union of Concerned Scientists

Cc: Tim Olson, McKinley Addy, Susan Brown, Peter Ward