



AB 32 Implementation Group



Working Toward Greenhouse Gas Emission Reductions
And Enhancing California's Competitiveness

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COALITION: REVIEW OF LOW CARBON FUEL STANDARD 'INADEQUATE'

SACRAMENTO – Expressing “serious concern” about the state’s plan to press on with a reformulation of California’s transportation fuels, the state’s leading business coalition on climate change says there has been inadequate analysis of how the new rule will affect the availability and cost of fuel or even whether the proposed change will actually reduce greenhouse gases.

The new Low Carbon Fuel Standard (LCFS) is designed to reduce the carbon intensity of fuels by 10% by the year 2020. Scheduled to be adopted by the California Air Resources Board (CARB) on April 23, LCFS is related to AB 32 (Global Warming Solutions Act) and is the first major climate change regulation.

In a letter delivered today to CARB chairwoman Mary Nichols, the AB 32 Implementation Group – a coalition of more than 185 businesses and organizations statewide – says the staff report on the new standard is “seriously deficient on both economic and environmental grounds.

“It fails to consider increased vehicle costs for plug-in hybrids, electric and hydrogen cars and offers no analysis on the impact on small business. Finally, it does not consider whether vehicles and other equipment will be able to operate without problems using these new fuels,” states the letter.

(more)

The coalition's concern about rushing into a new fuel standard without necessary review comes on the heels of withering criticism of CARB's economic analysis of its AB 32 programs in general.

Both the state's non-partisan Legislative Analyst and a highly-respected peer review board of leading university economists found the economic analysis significantly underestimated costs and impacts for California companies and their employees.

Today's letter from the business coalition says seven specific steps must be completed before CARB can move forward on a Low Carbon Fuel Standard including a serious review of its viability:

“Demonstrate the availability and cost-effectiveness of sufficient lower carbon fuels to meet the standard through 2020 using existing technologies, based upon publicly available information, and identify the degree to which achieving the standard will require development and commercialization of materials and technologies that are not now commercially available.”

More information is available at www.ab32ig.com.

Members of the AB 32 Implementation Group include the California Manufacturers & Technology Association, California Chamber of Commerce, California Small Business Alliance, California Retailers Ass'n, Western States Petroleum Ass'n, California Grocers Ass'n, California Restaurant Ass'n, California Trucking Ass'n and the California Taxpayers' Ass'n.