

MEMORANDUM

To: Clean Fuels Standard (CFS) Stakeholders
From: The Northeast and Mid-Atlantic State CFS Steering Committee
Subject: Release of Economic Analysis Report and Stakeholder Meetings Announcement
Date: August 18, 2011

We are pleased to announce the release of the economic analysis for an eleven state regional Clean Fuels Standard (CFS). The report, entitled “*Economic Analysis of a Program to Promote Clean Transportation Fuels in the Northeast/Mid-Atlantic Region*” and a summary fact sheet can be found at: <http://www.nescaum.org/documents/nescaum-cfs-economic-analysis-final.pdf>. For the purposes of this report, the term CFS is synonymous with what was formerly referred to as the low carbon fuel standard or LCFS.

Stakeholder meetings to present and discuss the findings of this analysis will be held on:

- **September 20, 2011: Federal Reserve Bank of Boston, 600 Atlantic Avenue, Boston, MA** <http://www.bos.frb.org>
- and
- **September 22, 2011: Ramada Inn at BWI, 7253 Parkway Drive, Hanover, MD** <http://www.bwiramada.com>

A draft agenda for the stakeholder meetings is provided below. At these meetings, NESCAUM and state staff will present the assumptions and findings of the economic analysis, take questions and comments on the analysis, and discuss next steps. A final agenda and logistics will be forwarded in the coming weeks.

While this study analyzed a CFS program to reduce the carbon intensity of transportation fuels used in our region, we recognize that other programs and complementary policies might be able to achieve similar or additional benefits in the transportation sector (e.g., clean car incentives). At the stakeholder meetings, the states are interested in receiving input on alternative strategies with the potential to achieve equivalent environmental, energy and economic benefits.

As part of the stakeholder meetings, we ask you to consider the following questions as you review the report:

1. Are there significant economic impacts besides those included in the analysis that would help to better characterize the full potential costs and benefits of the CFS program?
2. Does the economic analysis sufficiently capture the requisite infrastructure costs associated with supporting a significant alternative fuel vehicle fleet in the northeast/mid-Atlantic region? If not, what other investments would be necessary?

3. Based on the conclusions of the economic analysis, what are the opportunities and challenges for establishing and expanding a regional low carbon fuels industry?
4. Do you have suggestions on how to quantify the impact of CFS on the pump price of gasoline and diesel?
5. What lessons does the economic analysis offer for policy consideration?
6. What sources or methods should the states look to in developing and updating carbon intensity values for different fuel pathways?
7. Do the conclusions of the economic analysis suggest opportunities for collaboration among stakeholder groups to advance the production and distribution of low carbon fuels and alternative fuel vehicles?
8. Are there alternative programs and policies that might provide a similar level of environmental and energy benefits in the region?

Clean Fuels Standard Stakeholder Meetings

September 20, 2011, Federal Reserve Bank of Boston

And

September 22, 2011, Ramada Inn at BWI

DRAFT Agenda

- 9:30 am *Continental Breakfast*
- 10:00 am Welcome and Introductions
- 10:15 am Meeting Goals and Groundrules
- 10:30 am Overview of CFS Economic Analysis
- 11:15 am Clarifying Questions from Stakeholders
- 12:00 noon *Lunch (on your own)*
- 1:00 pm Discussion of Results
- .2:30 pm Discussion of Next Steps
- 3:00 pm *Adjourn*

**Please note that two locations are provided for this meeting for convenience in minimizing travel time and expenses. The agendas will be the same so you can attend one meeting.*