STATEMENT REGARDING
PROPOSED NESCAUM CLEAN FUELS STANDARD
BY
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NYSDEC STAKEHOLDER MEETING

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My name is Michael Doyle, I am Executive Director of the New York State Petroleum Council. The Petroleum Council is a trade association that represents major oil and gas companies doing business in New York. We are a division of the American Petroleum Institute (API). API supports the use of all viable sources of energy, including biofuels, to meet the nation's increasing energy demand. Our members include Amerada Hess Corporation, BP American, Inc., Conoco Phillips, Exxon Mobil Corporation and Shell Oil Company.

From our review of NESCAUM's Economic Analysis of its proposed Clean Fuel Standard (CFS), we come to three conclusions: 1) there is so little substance to support the supply, cost and job growth conclusions in this analysis that a rational discussion of any public policy on how or why CFS would impact transportation and the economic environment of New York and the northeast is effectively precluded; 2) the lack of a viable biofuels component or natural gas vehicle infrastructure in New York leads us to the conclusion that NESCAUM's version of the California LCFS plan is very likely to subject citizens throughout New York and the northeast to a de facto government mandate for the expansion of electric cars that could cost drivers of conventional gasoline and diesel fueled vehicles tens of billions dollars over the next decade; and 3) NESCAUM mistakenly believes that the driving public in the northeast will neither be informed nor understand that the states have, in effect, approved a massive hidden gas tax of potentially as high as 20-40 cents per gallon to subsidize utilities, electric car manufactures and purchasers.

Any proposed policy must be transparent to the consumer. It is inescapable that between 2012 and 2020, CFS is specifically designed to secure tens of billions of dollars from fuel suppliers in the Northeast under the guise of "compliance costs" and "alternative compliance payments (ACP)"for failing to comply with what is expected to be generally unattainable Carbon Intensity reduction demands. In turn, all of these billions will be added to the retail cost of gasoline and diesel. In New York and the northeast, these hidden gas taxes could add tens of billions dollars to the cost of gasoline and diesel fuel over the next decade and consumers will pay at the pump.

I conclude with these final observations: The report ignores the lack of prospects for the commercialization of certain fuels and assumes the sale and production of EV's and PHEV's in the NESCAUM states totaling 12-36 percent of total market by 2020. Given these vehicles are not present today in any significant numbers, achieving this goal in 9 years is extremely overly optimistic. The report did not study the technical feasibility or market readiness of advance or emerging biofuel technologies. Since the EV and PHEV as a LCFS compliance option depends heavily on technologies that have not matured commercially, and on consumers' attitudes that have not been assessed, the report's conclusions are highly uncertain. Also not addressed is the increase in GHG emissions associated with land use changes with expanded biofuel production.

Overall, the Economic Analysis for NESCAUM's CFS proposal is significantly flawed and we respectfully request that DEC not rely on any of its assumptions or forecasts.