



Advocacy Department

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August 26, 2010

Andrew Dick
LCFS Program Assistant
NESCAUM
89 South St, Suite 602
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Via email: lcfs@nescaum.org

**Re: Economic Analysis of the Northeast/Mid-Atlantic Low Carbon Fuel Standard:
Draft Data and Assumptions, Parts I and II**

Dear Mr. Dick,

On behalf of Mass Audubon, I submit the following comments in response to the Northeast States for Coordinated Air Use Management (NESCAUM) invitation to stakeholders to review the draft data and assumptions, Parts I and II, for the economic analysis of a regional Low Carbon Fuel Standard for Northeast and Mid- Atlantic states.

Mass Audubon recognizes that a rapidly changing climate is a major threat to both people and wildlife. The overwhelming scientific evidence is that these changes are driven by heat-trapping gases produced by the burning of fossil fuels to power our homes and industry, and fuel our vehicles. Mass Audubon is undertaking a multi-pronged strategy to address this threat as described in our statement on Sustaining People and Nature in a Rapidly Changing Climate, July 2010, <http://www.massaudubon.org/renewableenergy/index.php>. One of our major areas of involvement in this issue is our support for federal, regional, and state initiatives to reduce carbon and other Greenhouse Gas (GHG) emissions. Mass Audubon supports the Regional Greenhouse Gas Initiative (RGGI) and the efforts of 11 states to develop and implement a Low Carbon Fuel Standard (LCFS). We are pleased to see progress on the LCFS as reflected in the most recent economic analysis presently under development and review by NESCAUM.

Mass Audubon supports a LCFS designed to help achieve the regional and state targets for GHG emission reductions, such as those established in the *Massachusetts Global Warming Solutions Act*. We also support an approach that includes full lifecycle accounting and that addresses and minimizes potential negative effects of land use conversions for biofuel production.

Mass Audubon recommends that the analysis and resulting LCFS be refined to take into account the following comments and concerns:

Include Heating Sector:

According to NESCAUM's October 2009 presentation to stakeholders, space heating accounts for approximately 50% of the regional demand for petroleum distillates. The economic modeling information presently under review only analyzes the transportation sector. Although it allows for some

potential offsets from the heating sector, that is a minor element of the analysis and is based on an assumption of maintaining existing carbon emissions from the heating sector. Given that several of the fuel stocks involved in the transportation sector are also heavily involved in existing or potential future use in the heating sector, Mass Audubon believes it is important for the modeling to more fully address the heating sector and to consider potential interactions and trade-offs between the sectors.

Woody Biomass

A key concern of ours is the role of woody biomass in the LCFS configuration. If large amounts of the finite quantity of available waste wood (i.e. 50% or more) is utilized for cellulosic ethanol for transportation fuel, this may not be the most efficient use of this feedstock. A program that incentivizes extensive development of facilities converting woody biomass to transportation fuel while not establishing parallel targets and programs for space heating carbon reductions may result in unintended consequences and missed opportunities. For example, if home heating reliance on wood, solar thermal and geothermal were significantly increased, this would not only reduce carbon intensity in that sector but also free up some existing natural gas supplies for use in the transportation sector. At a minimum, we recommend that a target of 10% reduction in carbon emissions from the heating sector be established within the LCFS and associated supporting models.

Furthermore, the amount of woody biomass available for production of cellulosic ethanol may be significantly overstated. Demands are increasing as multiple proposals for utility-scale biomass electric generating plants are underway throughout the region, and demand for firewood and wood pellets is also increasing. Meanwhile, new studies such as the *Biomass Sustainability and Carbon Policy Study* produced by the Manomet Center for Conservation Sciences for the Massachusetts Department of Energy Resources indicate that the supplies may be considerably less than previously projected.

Mass Audubon is also concerned about the methodology used for calculating carbon intensity. Projections for the near term should be based on existing status of technologies and facilities rather than on projections for biofuels for 2022.

Thank you for the opportunity to comment.

Sincerely,



John J. Clarke
Director of Public Policy and Government Relations

cc: Commissioner Philip Giudice, MA Department of Energy Resources
Robert Rizzo, MA Department of Energy Resources
Lee Dillard Adams, MA Department of Environmental Protection
Susan Reid, Conservation Law Foundation

Mass Audubon works to protect the nature of Massachusetts for people and wildlife. Together with more than 100,000 members, we care for 34,000 acres of conservation land, provide educational programs for 225,000 children and adults annually, and advocate for sound environmental policies at local, state, and federal levels. Mass Audubon's mission and actions have expanded since our beginning in 1896 when our founders set out to stop the slaughter of birds for use on women's fashions. Today we are the largest conservation organization in New England. Our statewide network of wildlife sanctuaries, in 90 Massachusetts communities, welcomes visitors of all ages and serves as the base for our work. To support these important efforts, call 800-AUDUBON (283-8266) or visit www.massaudubon.org.

Protecting the Nature of Massachusetts