

## **MEMORANDUM**

To: Northeast/Mid-Atlantic Low Carbon Fuel Standard Stakeholders

From: Participating State Environmental and Energy Commissioners and Agency Heads

Date: December 29, 2010

Re: **Update on the Regional Low Carbon Fuel Standard Initiative**

The environmental and energy agency heads of the eleven Northeast and Mid-Atlantic States (NE/MA) participating in the cooperative assessment of a regional low carbon fuel standard (LCFS) appreciate your participation and value the input received from a wide range of stakeholders to date. The series of LCFS stakeholder meetings and calls held this past year focused on designing and developing inputs for the economic analysis, and evaluating options for key elements of the program framework. Your thoughtful input has been invaluable and we thank you for the time and effort you devoted to this endeavor. This memorandum provides an update on our progress and describes the next steps, including opportunities for additional stakeholder input to the development of the regional LCFS.

The Memorandum of Understanding signed by the eleven NE/MA Governors in December 2009 committed the states to develop preliminary recommendations on program elements by the end of 2010 and a draft program framework available in early 2011.

Significant progress has been made in structuring the design of a draft program framework and we expect to make this document available to stakeholders in early 2011. However, completing the LCFS economic analysis is a prerequisite to finalizing the draft framework document. Due to the complexity of this analysis and the need to ensure complete and accurate input data, the economic assessment has taken somewhat longer than expected. The draft framework will include elements common in many regulatory programs, as well as some that are unique to the LCFS program. The document will provide a brief description of the various components of the LCFS and offer a sense as to how these components might be integrated as a comprehensive program.

The participating NE/MA states will convene stakeholder meetings in early 2011, to present and discuss the results of the economic analysis and the draft program framework with all interested parties. A notice with dates and agendas for the meeting(s) will be distributed to our email list and posted on the NESCAUM website ([www.nescaum.org](http://www.nescaum.org)).

Thank you and we look forward to future discussions.