

The following are EPA's comments on the economic analysis

EPA New England would like to submit the following comments on the "Economic Analysis of a Program to Promote Clean Transportation Fuels in the Northeast/Mid-Atlantic Region" presented at the stakeholder meeting on September 20, 2011.

EPA understands that the study was a non-traditional economic analysis of how to reach an ambitious goal of reducing the carbon intensity of vehicle fuels. We support your exploration of how to reduce greenhouse gases from this sector, and ask that you factor the following considerations into your analysis.

With regard to the economic benefits of electric vehicles, EPA suggests that if NESCAUM is to conclude that significant economic benefits accrue to the electric utility companies as a result of a buildout of electric vehicle support infrastructure, NESCAUM should consider a corresponding analysis of the impacts to electric ratepayers who would be paying for this increase in infrastructure through increased electric rates.

For biofuels, we ask that you consider whether fuel production will meet the levels assumed in the analysis. Our request comes from our renewable fuel standard experience. In 2010 and 2011, the EPA lowered the mandated cellulosic fuel production volumes required under the Energy Independence and Security Act of 2007 by about 90% due to the unavailability of supply and has proposed a similar reduction in 2012 volumes. In addition, a 2011 report by the National Research Council National Research Council, Renewable Fuel Standard: Potential Economic and Environmental Effects of US Biofuel Policy, National Academies Press, Washington DC, 2011. [www.nap.edu](http://www.nap.edu) indicates that in the absence of significant technological and supply breakthroughs, the country will fall short of its supply mandates in 2022. In the scenarios for the biofuel future, an adequate supply of these biofuels is essential to achieving compliance with the CFS, we ask that NESCAUM consider EPA and other government estimates of fuel production and availability in future years in the development of your program.

Please let me know if you have any questions.

Please consider the environment before printing this message.

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