



October 31, 2011

Arthur Marin
Executive Director
NESCAUM
89 South Street
Boston, MA 02111

Re. Clean Fuels Standard for the Northeast and Mid-Atlantic States

Dear Mr. Marin,

As long-term investors and as members of the Investor Network on Climate Risk (INCR), a network of 100 investors representing over \$10 trillion in assets, we are writing to express our strong support for a regional Clean Fuels Standard (CFS). A CFS is critical to sufficiently reducing our region's carbon footprint, and will have the additional benefits of reducing our dependency on oil and fostering a strong clean fuels market by providing clear market signals to investors. Further, it would provide incentives to reduce the use of carbon intensive fuels such as those derived from current oil sands and oil shale production. Finally, as a market based policy that does not mandate the use of particular technologies or fuels, a CFS would promote innovation, and facilitate an efficient transition to cleaner transportation fuels.

We commend NESCAUM for its thoughtful analysis that shows clear economic benefits stemming from a CFS. As oil becomes increasingly carbon intensive and expensive, it is critical that we reduce our oil dependence; the NESCAUM analysis shows that a CFS could reduce oil consumption by up to 29 percent by 2022. It would also reduce transportation costs—an increasingly important consideration for businesses and consumers as oil prices continue to climb—by up to \$74.7 billion.

A CFS is also critical to building a strong regional clean fuels industry. The NESCAUM analysis recognizes the value of a CFS in diversifying our transportation fuel supply to include more regionally-produced alternatives. Other regions and countries are establishing policies promoting cleaner transportation fuels; California has adopted a CFS and the European Commission recently approved a Fuel Quality Directive that recognizes the higher carbon content of fuel derived from oil sands and oil shale. Without a clear market signal like the CFS, investment capital will flow to those economies that promote investment in cleaner fuels, and the U.S and the region will be left behind.

It is time to move forward aggressively with policies that will optimize private investment in a low carbon economy. A CFS would help get our economy back on track by creating jobs and catalyzing investment in cleaner fuels, as well as promoting energy security and reducing climate risk.



We appreciate the opportunity to share our views regarding the importance of a CFS, and look forward to supporting your efforts in the months ahead.

Sincerely,

Thomas P. DiNapoli
New York State Comptroller

John C. Liu
New York City Comptroller

Vidette Bullock-Mixon
Director, Corporate Governance
United Methodist Church General
Board of Pension and Health Benefits

Barbara J. Krumsiek
President, CEO
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Rev. William Somplatsky-Jarman
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Investor Network on
CLIMATE RISK

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