

# Questions and Answers about the Low Carbon Fuel Standard

**Q: What is the Low Carbon Fuel Standard?**

A: It is a new requirement that most California transportation fuels (including gasoline and diesel) reduce their “carbon intensity” by 10 percent by 2020. It is a component of the AB 32 (Global Warming Solutions Act) program aimed at reducing the state’s greenhouse gas emissions.

**Q: How will the 10% reduction be achieved?**

A: At the moment, that is a big question without a clear answer. The California Air Resources Board (CARB) is in the process of finalizing regulations to specify these details. The problem is there isn’t any technology or alternative fuel supply available today that can be used to meet the full 10% reduction.

**Q: What is under consideration?**

A: Potential programs under consideration to meet the goal could include blending new kinds of biofuels, hydrogen fuel, purchasing credits from electric utilities for use with electric cars or some combination of all of these activities. There are challenges associated with all of these paths.

**Q: Why can’t these alternative fuels help meet the low carbon standard?**

A: They might some day, but as of today they either have not been fully developed, or cannot be produced in sufficient quantities. There are questions about reliability and affordability, and the infrastructure to bring them to consumers does not yet exist. Forcing the state down this path prematurely would be a serious and costly mistake for consumers and our economy.

**Q: What is WSPA doing to help meet the Low Carbon Fuel Standard?**

A: As the main providers of transportation fuels, the members of our industry stand ready to work with the state to develop regulations that are cost-effective, technically feasible, don’t jeopardize California’s fuel supply, don’t unnecessarily harm consumers and help the state achieve its climate change goals. We are working diligently with CARB, but are concerned the program is moving ahead without completing some of the important tasks that must be done first.

**Q: What is the timeline for implementing the new standard?**

A: CARB is expected to establish that timeline in April as part of adopting regulations for the Low Carbon Fuel Standard. Those regulations would be finalized in December. Before then, required studies need to be completed and reviewed. Implementation is required to start January 1, 2010.

**Q: What studies are required?**

A: For example, studies are required on the potential impact of the LCFS on consumers. This includes studies such as whether there will be an adequate supply of the low carbon fuels, and an analysis to ensure they don’t inadvertently create more greenhouse gas emissions than our current fuels. In the past, implementing changes in fuel formulations has caused problems, some predictable and some unforeseen.

**Q: What kind of problems?**

A: The most widely reported was associated with the requirement for the use of MTBE in gasoline. It was only after billions of dollars had been spent and the fuel supply fully converted to the new formula that it was discovered that MTBE posed a risk to the state’s water supply.

**Q: What do you recommend?**

A: We believe the Low Carbon Fuel Standard needs a lot more analysis and study than it is currently getting. After all, this is the most radical and comprehensive change to transportation fuel formulations ever undertaken. We can’t afford to get it wrong. We need more time to make sure we get it right.



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