



THE PACIFIC FOREST TRUST

Working Forests Work Wonders For Us All.

April 15, 2009

Mary Nichols
Chairman, California Air Resources Board
P.O. Box 2815
Sacramento, CA 95812

Re: The California Low Carbon Fuel Standard

Dear Chairman Nichols:

The Pacific Forest Trust (PFT) supports the groundbreaking work being done by the Air Resources Board (ARB) to develop and adopt the Low Carbon Fuel Standard. Given the high proportion of emissions from transportation, creating new and abundant low-carbon alternatives to traditional fuels is a critical component of the State's global warming strategy.

However, to ensure long-term sustainability and full lifecycle greenhouse gas emission reductions, a number of key elements should be included within the LCFS, some of which we are pleased to see already underway.

In particular, PFT applauds ARB for including indirect land use change as a factor in the lifecycle analyses for biofuels in its proposed regulation. Direct emissions and lost sequestration from land use change, especially deforestation, can be substantial and defeat the purpose of generating truly low-carbon fuels. We greatly appreciate ARB's consideration of all emissions sources and look forward to continued rigorous analysis.

PFT also supports the inclusion and exploration of fuel pathways derived from forest biomass. While the ability of forest resources to contribute to a new generation of biofuels may be limited—currently due to technological constraints and ultimately because of a limited supply of appropriate feedstock material—with robust ecological safeguards in place, forest-derived cellulosic ethanol can play a supportive role in the LCFS.

We understand that the pathway for ethanol from forest waste is still under development and not ready for adoption at this time. From our perspective this is quite positive, as it should give ARB staff the opportunity to reconsider factors included in the lifecycle analysis. As it stands, the lifecycle analysis starts at the point of wood waste collection; however, this is not the starting point of production. To create wood waste, trees are grown and a forest is harvested at varying degrees of intensity. The full GHG profile of forest waste thus needs to include the energy input for the entirety of the forest management operation, including monitoring for

significant carbon stock depletion over time. If harvest levels are intensified to take advantage of new bioenergy markets, then the waste's GHG value will also increase. With the current lifecycle analysis, there is no mechanism to capture this potential effect. We would encourage further refinement of the lifecycle analysis to include the production stage of forest growth and harvest operations. This completes the true full lifecycle, and would help to avoid shifts in forest management that result in significant carbon stock depletion or degradation of other critical ecological values.

PFT greatly appreciates the commitment from ARB to develop clear sustainability criteria within two years of LCFS adoption. This effort is fundamental for ensuring the protection of native, productive ecosystems, habitat, wildlife, biodiversity, and water and air quality. As they relate to forest biomass, the sustainability criteria should explicitly prevent the conversion of natural or semi-natural forests to energy plantations. This would be a grossly perverse outcome of the LCFS, resulting in environmental degradation and increased GHG emissions.

Further, we would recommend that ARB consider the conservation of forestland as a key sustainability criterion. In evaluating the capacity for continued provision of renewable forest biomass, land placed under protection for future generations has a clear advantage. Such protection can help ensure the ongoing, sustainable productive management of forests to provide a full suite of benefits—wood, water, wildlife, and a well-balanced climate. Landowners who place part or all of their property under conservation should be accordingly rewarded for doing so. Alternatively, it will be difficult to ensure sustainability while continuing to lose thousands of forested acres to development and other uses every year.

Thank you very much for your consideration. We look forward to the finalization of the LCFS and working with you on the upcoming process to develop sustainability criteria. Please do not hesitate to contact us with any questions.

Sincerely,



Laurie A. Wayburn
President
The Pacific Forest Trust