



Growth Energy & Renewable Fuels Association challenge California's Low Carbon Fuel Standard

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Washington, Dec. 28 – Acting together despite continuing rivalry, the two leading pro-ethanol groups, Growth Energy and the Renewable Fuels Association, have filed suit in Federal District Court to challenge California's new Low Carbon Fuel Standard (LCFS) due to take effect next year. The new rule would impose a 10% reduction in the carbon content of fuels sold in California by 2020 – and would base carbon content on calculations which include "indirect land use changes." Under this approach, corn ethanol's clean-air benefits would be offset based on controversial assumptions that increasing corn production for ethanol in the U.S. would lead other countries to convert more forest and pasture land to cropland.

In a joint statement challenging the constitutionality of California's plans, Growth Energy and the Renewable Fuels Association state that:

"If the United States is going to have a low carbon fuel standard, it must be based on sound science and it must be consistent with the U.S. Constitution. California's Low Carbon Fuel Standard (LCFS) is fundamentally flawed in both respects. . ."

"The LCFS contradicts the sound judgment of Congress when it passed the 2007 Energy Independence Security Act and singled out the importance of domestic ethanol for our nation's environment, energy security and economy. The LCFS erects new regulatory obstacles to ethanol, frustrates the federal Renewable Fuel Standard, and threatens the nationwide market for domestic ethanol. Because congressional policy cannot coexist with California's regulation, the latter must give way to the former, the supreme law of the land."

"Additionally, by closing California's borders to corn ethanol from other states, the LCFS will change how corn is farmed and ethanol is produced all over the country. The Commerce Clause specifically forbids state laws that discriminate against out-of-state goods and that regulate out-of-state conduct. The LCFS imposes excessive burdens on the entire domestic ethanol industry while providing no benefit to Californians. In fact, in disadvantaging low-carbon, domestic ethanol, the LCFS denies the people of California a genuine opportunity to clean their air, create jobs, and strengthen their economic and

national security. One state cannot dictate policy for all the others, yet that is precisely what California has aimed to do through a poorly conceived and, frankly, unconstitutional LCFS.”

In response to the joint challenge from the ethanol trade associations, the California Air Resources Board maintains that its rulings are constitutional.

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