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California Adopts Low Carbon Fuel Standard

[Travis Ritchie](#)

On Thursday the California Air Resources Board ("[ARB](#)") adopted a regulation that will implement Governor Schwarzenegger's Low Carbon Fuel Standard calling for the reduction of greenhouse gas emissions from California's transportation fuels. The regulation requires producers, refiners and importers of gasoline and diesel to reduce the carbon footprint of their fuel by 10% over the next decade. The move follows the guidelines set by AB 32, the Global Warming Solutions Act (Nunez, 2006), which mandates that California reduce its overall greenhouse gas emissions by 80% by midcentury.

The new regulation is aimed at diversifying the variety of fuels used for transportation. ARB hopes it will boost the market for alternative-fuel vehicles and achieve 16 million metric tons of greenhouse gas emission reductions by 2020. ARB Chairman Mary Nichols described the measure as the most important early action called for under AB 32: "The new standard means we can begin to break our century-old dependence on petroleum and provide California with greater energy security ... The drive to force the market toward greater use of alternative fuels will be a boon to the state's economy and public health — it reduces air pollution, creates new jobs and continues California's leadership in the fight against global warming."

Under the adopted regulation, producers, refiners and importers must account for and reduce carbon emissions associated with the production, transportation and consumption of their fuel products. In other words, the industry must reduce the "carbon intensity" of its fuel pathways.

ARB's decision prompted heavy criticism from the ethanol industry, a corn-based fuel often touted by members of Congress

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and lambasted by environmentalists. The ethanol producers fear that the consideration of indirect land use effects will impose an unfair cost on the farm-based production of ethanol because it will include carbon emissions associated with the replacement of cropland. Despite the criticism, ARB Chairman Nichols has previously stated that ethanol will continue to provide an important component of California's fuel supply.

[California Environmental Protection Agency Press Release](#)

[Article: Los Angeles Times "California to limit greenhouse gas emissions of vehicle fuels"](#)

[Growth Energy Press Release](#)

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