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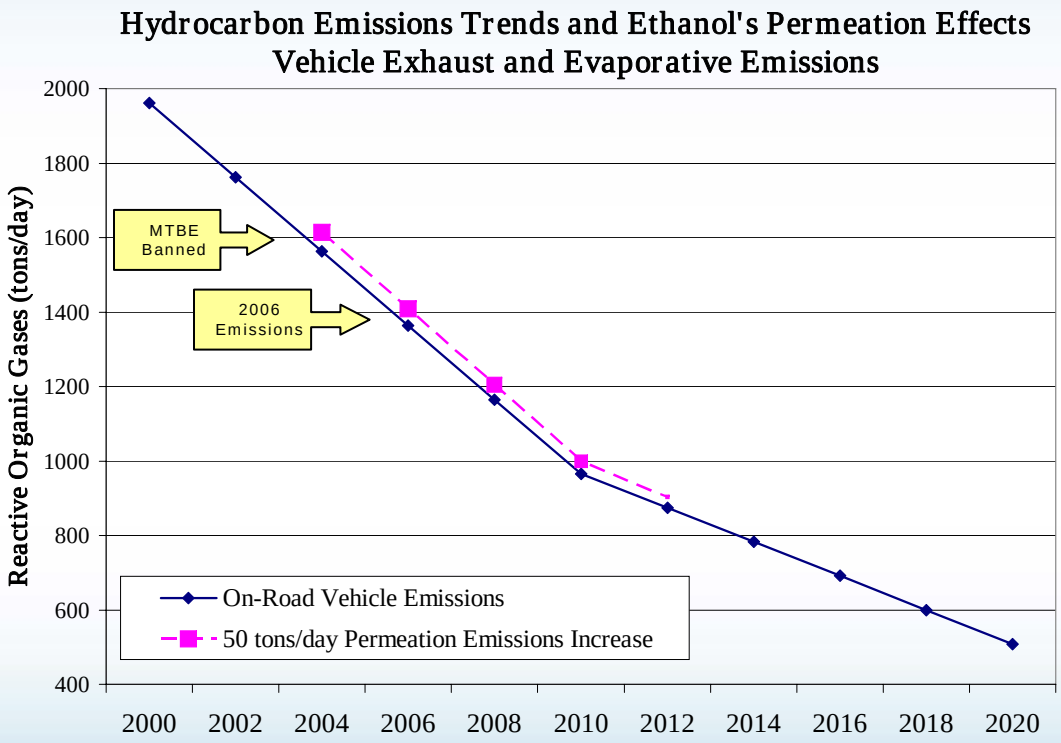
California Renewable Fuels Partnership

Comments 03/09/2006

Current and Future CO2 reductions with ethanol use in California

- Current E6 provides 3.5 million tons of CO2 reductions per year.
- The single most effective and largest source of CO2 reductions in California transportation today.
- Year round E10 would reduce more than 6 million tons of CO2 per year.

Perspective: Total emissions from vehicles and fuels including permeation are lower now – and continue to decline than when MTBE was banned.



Source: ARB EMFAC analysis of mobile source emissions for; 2000, 2010, 2020

2004/2005 Best air quality on record in California

- NY, CT had better air quality recorded with Ethanol in 2004/2005 as well.

New Data: CO is important in reducing Ozone and offsetting permeation.

- ARB study done at the request of Secretary Lloyd, shows CO – 35% more important in reducing ozone than is currently represented in existing Predictive Model. Study shows CO ratio of 39 to 1 compared to VOC under the federal 8 hour ozone standard. Current Predictive Model is 59 to 1.

- New Auto/Oil Data CRC 67 shows significant reduction of CO from ethanol in newer cars. Current Predictive Model has no CO impact from ethanol in newer cars.

- Using above data to update Predictive Model shows that E10 may reduce more than 70 tons of VOC per day compared to E0 – offsetting permeation 100%.

Model Uncertainty?

“ The results of the literature show some tendency for Nox emissions to increase with greater ethanol levels,

BUT this trend is not consistent or statistically significant over a wide range of studies.” CRC E67 2006

What is needed

- A regulatory framework that provides real flexibility for refiners and marketers to use more ethanol (E6 through E95) AND insures no backsliding on CO2 reductions and renewable use that exist today.
- Year round flexibility to use E6 through E10 at refiners choice like the rest of the country.
- CO2 fuel regulation - best driver for cellulose ethanol.
- Short term action necessary to build momentum and send market signal to investors.