

Position Statement



Low Carbon Fuel Standard (LCFS)

In order to reduce Michigan's emissions of greenhouse gasses (GHG); to make our state more energy independent; and to create markets for Michigan-made auto fuels and vehicle power sources, Michigan should become a national leader by passing a Low Carbon Fuel Standard. A LCFS will require fuel refiners, blenders or processors to reduce the overall carbon intensity of their portfolio of fuels by 10% by 2020.

A bill will be introduced soon. Primary Sponsor: Rep. Lee Gonzales

Goals of a Low Carbon Fuel Standard

A LCFS is a policy to ensure that new fuels and power sources for vehicles reduce our overall global warming impacts while encouraging the development of clean, sustainable energy sources for transportation.

A LCFS of 10% by 2020 would require fuel producers to reduce the overall carbon footprint of the fuels they provide by 10% over the next 11 years. However, a LCFS does not dictate the type of feedstock or fuel that should be used to achieve the reduction. Rather, a LCFS allows market forces and sustainability criteria to determine how best to achieve the required GHG reductions.

Michigan's LCFS must feature:

- Life Cycle Analysis of GHG emissions. Every aspect of a particular fuel source must be calculated in the analysis. In the case of biofuels, this "seed to tailpipe" calculation would include: the crop being utilized as fuel; the kind of land it's planted on; chemical fertilizers and pesticides applied; harvesting techniques; processing; refining; transportation and emissions after the fuel is burned. For more traditional petroleum-based fuels, the analysis must include all aspects of extraction and processing, as well as tailpipe emissions. A LCFS ensures that the overall carbon footprint of the alternative fuel is actually less than what we're currently using.
- Sustainability Criteria for biofuel production, to protect soil and forest health, the biodiversity they support, and their capacity to store carbon for generations.
- Consideration of Indirect Land Use Changes. It is essential that production of renewable biofuels here in the US does not cause unintended consequences in other parts of the world, such as the clearing of rainforests or the conversion of protected land to agricultural use.

A LCFS has been recommended as a tool to reduce global warming by Governor Granholm's Michigan Climate Action Council and the Midwest Governor's Association. A LCFS has been adopted by rule in California, and is being considered at the federal level.

Benefits to Michigan of a Low Carbon Fuel Standard

- Reduce our vulnerability to foreign oil supply fluctuations and price spikes.
- Create markets and economic opportunities for renewable fuel producers in Michigan who can lead the way toward advanced, low-carbon fuels.
- Support the auto industry's development of low-carbon electric vehicle technologies (including the Chevy Volt and GM's electric plug-in) and the Advanced Battery Storage industry, which is making investments and creating jobs in Michigan.
- Ease the transition to a low carbon economy.
- Give Michigan a seat at the table in designing a federal LCFS.