

October 1, 2009

The Honorable Barbara Boxer  
Chair, Senate Committee on Environment and Public Works  
112 Hart Senate Office Building  
Washington, DC 20510

Chairman Boxer:

We, the agricultural, bioenergy and forestry communities of the United States, are writing to urge you to ensure that comprehensive climate legislation adequately recognizes and incentivizes the extensive benefits biomass and the production of biofuels can provide to address global climate change. Climate change legislation to date has placed much focus on stationary sources of CO<sub>2</sub> emissions. The transportation fuel sector is equally important when it comes to CO<sub>2</sub> reductions, and biofuels can help play a key role in reducing direct CO<sub>2</sub> emissions from the transportation sector.

Biofuels, unlike petroleum-based fuels, recycle atmospheric carbon. Fossil energy use takes carbon that has been stored for millions of years in the earth and releases it into the atmosphere through combustion. Biofuels made from plant matter, on the other hand, remove carbon from the atmosphere through photosynthesis prior to combustion. In some cases, biomass production can sequester more carbon in the soil than is released into the atmosphere. Biofuels should therefore not be treated in the same manner as fossil fuels under any climate change cap and trade legislation. Rather, biofuels should be recognized for their unique role in helping attain a low carbon future.

H.R. 2454 appropriately recognizes biofuels' role in mitigating climate change by limiting the obligation of transportation fuel tailpipe emissions to petroleum-based fuels – though the bill does leave some ambiguity as to whether the biofuels component of fuel blends is obligated. Some recent reports suggest that you may be considering also placing emissions from combustion of biofuels under the cap. We urge you not to pursue this approach.

Biofuels are mandated by the federal Renewable Fuel Standard (RFS) to achieve substantial lifecycle greenhouse gas (GHG) improvement compared to petroleum-based fuels. The GHG performance standards contained in the RFS ensure the climate benefit of future biofuels production. Any effort to place tailpipe emissions of biofuels under the CO<sub>2</sub> cap would therefore impose a double GHG compliance obligation on biofuels. This regulatory burden could cripple deployment of advanced biofuels, which already face substantial commercialization challenges. It could also result in protracted regulatory implementation, which will only further delay the commercialization of the low carbon biofuels technologies needed to achieve the greatest GHG reductions in the transportation sector.

To achieve necessary greenhouse gas reductions, our economy must transition to cleaner and sustainable energy resources, and Congress can help. We request that the Senate bill not subject biofuels to *double jeopardy* in GHG regulation. Instead, your legislation should clearly and unambiguously state that biofuels, including the biofuel component of fuel blends, are not

obligated under the emissions cap and are therefore a preferred alternative to fossil carbon-based fuels. We also request that you consider allocating bonus allowances and/or credits to advanced biofuels development programs, and to biofuels that are deemed carbon negative on a lifecycle basis, to incentivize and reward the additional climate benefits that these technologies would provide.

We are concerned that without adequate distinction, advanced biofuels will inadvertently be treated the same as their high-CO2 emitting fossil energy counterparts, removing the incentive for fuel blenders to adopt low-carbon biomass-based fuels. We cannot achieve a low carbon future without advanced biofuels and other biobased products. We strongly urge you to value the vital contribution that these solutions can make to the nation's climate goals by considering the above recommendations.

Sincerely,

Biotechnology Industry Organization

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Governors' Biofuels Coalition

Clean Fuels Development Coalition

Growth Energy