

**Comments of the Natural Resources Defense Council (NRDC) on the  
Scope of the  
California Energy Commission Transportation Committee's  
State Plan to Increase the Use of Alternative Fuels (Alternative Fuels Plan)  
Docket 06-AFP-1**

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Submitted by:  
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The Natural Resources Defense Council (NRDC), on behalf of more than 130,000 California members, appreciates the opportunity to comment on the scope of the California Energy Commission (CEC) Transportation Committee's **State Plan to Increase the Use of Alternative Fuels (Alternative Fuels Plan)**, described in the **Committee Scoping Notice, Docket 06-AFP-1**.

**NRDC agrees with the general overall scope of the Alternative Fuels Plan.** The authorizing legislation, Assembly Bill (AB) 1007 (Pavley, 2005), contains the fundamental requirements of the state plan and the scope of the Alternative Fuels Plan effectively captures these legislative requirements. NRDC cosponsored the bill and appreciates the Committee's attention to the details of the legislation.

However, NRDC does not understand the committee's proposal to include liquid petroleum gas (LPG), and liquid fuels derived coal and petroleum coke in the study. None of these fuels are included on the list of fuels that the legislature specifically directed the CEC to examine. The legislation specifically defines alternative fuels as "nonpetroleum." Therefore we fail to see how the committee believes it is appropriate to include LPG and petroleum coke. We also fail to understand the interest of the committee to include fuels derived from coal when the purpose of the bill is clearly to help reduce the environmental impacts of current petroleum fuel usage. We request that the CEC clarify its reasoning for including these fuels.

**Air quality is paramount.** We concur that CEC must ensure that there is no backsliding in air quality and that there is no interference with the state air quality attainment plans. However, we also urge the committee to ensure that this study's recommendations actually assist and accelerate the state's ability to meet our clean air goals.

**Transparency of assumptions and methodology during the development of the Alternative Fuels Plan is critical.** The scope of the Alternative Fuels Plan appropriately acknowledges the need to complete full fuel-cycle assessments for alternative fuels. The economic impact of alternative fuels must also be evaluated. The fuel cycle and economic assessments should maximize transparency in the analysis so that all stakeholders can easily understand the assumptions and methodology used in each step. The analysis models used in the assessments should be publicly available and well-documented. In the cases where assumptions used in the assessments can vary significantly due to uncertainty or changing technology or market conditions, sensitivity analysis should be

used to reveal the most significant assumptions driving the results and the likely minimum and maximum results under the varied assumptions.

**Proper environmental and economic assessment of alternative fuels requires the expertise of many agencies, stakeholders and the public.** The Committee's scoping notice lists the agencies which with, at a minimum, the Energy Commission should consult. Interagency cooperation is crucial for ensuring that environmental and public health benefits of alternative fuels are optimized. Additionally, the Committee's public workshops and hearings will be essential for collecting input and ultimately getting widespread support for the adoption of the Alternative Fuels Plan.