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For Low Carbon Fuels Standard to be successful, more robust analyses are needed on greenhouse gas emissions of biofuels due to indirect land use change

Sioux Falls, SD (December 1, 2008) – Recognizing that Congress is likely to take up legislation in the future considering a Low Carbon Fuels Standard (LCFS), the American Coalition for Ethanol (ACE) today released the findings of a timely report entitled “Lifecycle Analysis of Greenhouse Gas Emissions Associated with Starch-Based Ethanol.” The study was conducted by Global Insight and commissioned by ACE.

“In the future, low carbon fuels will be increasingly favored over highly carbon-intensive sources of energy. We commissioned this report to provide information to the biofuels industry, policymakers, and other stakeholders on the opportunities and challenges associated with lifecycle analysis and low-carbon models, policies, and markets,” said Brian Jennings, Executive Vice President of ACE.

Lifecycle analysis (LCA) is the mechanism by which policies like California’s LCFS and the 2007 energy bill’s Renewable Fuels Standard (RFS2) will assign a value to a fuel’s carbon footprint. This study examined how lifecycle analysis might impact biofuels’ carbon footprint, particularly with respect to greenhouse gas emissions associated with “indirect land use change” (ILUC). The report finds that today, with respect to ILUC, it is virtually impossible to accurately ascribe greenhouse gas impacts to biofuels.

“ACE looks forward to engaging the Obama Administration, the 111th Congress, and other key stakeholders with the information discovered in this study and working constructively to draft a LCFS that works well for all parties,” Jennings said. “But this analysis indicates that when it comes to indirect land use change, the policy may be getting ahead of the science. Lifecycle predictions of greenhouse gas emissions, particularly related to ILUC, are based on computer models of the future that may or may not be valid. It is important that we engage objectively to monitor on-the-ground land use changes to determine the extent to which they may or may not be linked to biofuels production before incorporating these predictions into policy.”

Key findings of “Lifecycle Analysis of GHG Emissions Associated with Starch-Based Ethanol”:

It is neither fair nor accurate to attribute all current and future land clearing to biofuels.

- Changes in land use have always occurred and are not new, nor are biofuels the primary driver of them. Global population growth cannot be ignored as a factor.

- If some land use change is due to increased biofuels production, the overriding challenge is to quantify which changes can indeed be directly attributed to biofuels.

New technology is making both corn and ethanol production more efficient, more environmentally friendly.

- Assumptions about corn production are key to the LCA and must reflect the steady increases in corn yield per acre, which have doubled between 1970 and today. Also, nitrogen fertilizer use per acre peaked in 1985 and has been trending lower since.
- Energy efficiency in the ethanol production process is advancing, leading to reduced GHG emissions. Since 2001, U.S. ethanol producers have achieved a 22% drop in total energy use. Between 2004 and 2007, ethanol plants reduced BTU usage by between 14% and 21%.

Oil is becoming less efficient and more harmful to the environment.

- “With the technology coming online in corn and ethanol production, the carbon footprint is only set to improve significantly in the next ten years, whereas feedstock sources for the petroleum industry, such as oil sands, will further degrade petroleum’s carbon footprint.”
- “High oil prices incentivize the production of crude oil from sources such as tar sands and coal which have considerably higher GHG emissions than biofuels. Depending upon the energy source used in the mining of tar sands, well-to-pump emissions can be over 300% of conventional crude oil.”
- The U.S. Environmental Protection Agency is currently comparing the LCA of biofuels to that of petroleum in 2005, not a fair comparison since the carbon footprint of oil will degrade significantly post-2005 as new oil sources like tar sands are tapped.
- If the indirect GHG emissions of biofuels are counted toward the carbon footprint, so should be the indirect emissions associated with petroleum production.

Key statements in the study:

- “The argument in favor of including indirect land use change may have some intuitive appeal, but there are some major impediments to its inclusion in a lifecycle analysis, especially one to be conducted in the near future.”
- “Lifecycle analysis is being used to actually quantify GHG emissions, and the scientific literature shows a huge variation in estimates of carbon release from land clearing in general, on the order of 50 percent plus or minus – a huge margin of error.”

“The bottom line is that ethanol is becoming even cleaner and more efficient, while petroleum is becoming more costly and more harmful to the environment,” Jennings added. “Any accurate measurement of a fuel’s carbon profile needs to take these facts in to account, and must be rooted in actual events and defensible science – not computer-generated models of the future – before moving forward. These low-carbon policies are new, and it’s important that we get the policy right – the first time.”

Global Insight’s John Kruse, PhD, author of the report, is available for media interviews, which may be arranged by contacting ACE’s Kristin Brekke at kbrekke@ethanol.org with your request.

The full report may be downloaded here:

http://www.ethanol.org/pdf/contentmgmt/LCFS_Study_Final_Report.pdf

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The American Coalition for Ethanol (ACE) is the grassroots voice of the U.S. ethanol industry, a national trade association for the ethanol industry with 1500 members nationwide, including farmers, ethanol producers, commodity organizations, businesses supplying goods and services to the ethanol industry, rural electric cooperatives, and individuals supportive of increased production and use of ethanol. For more information about ethanol or ACE, visit www.ethanol.org or call (605) 334-3381.