AFFORDABLE FUEL WASHINGTON

The Low Carbon Fuel Standard: A Costly, Regressive and Unworkable Fuel Policy for Washington

This ineffective and unsustainable proposal would increase fuel costs[1] without providing transportation infrastructure improvements or significant emissions reductions.

What is a LCFS?

A LCFS would require a reduction in the carbon content of fuels by either blending them with increasing amounts of biofuels, or by buying "credits" from suppliers of lower carbon transportation fuels. Producing LCFS fuel blends means dramatically increasing costs of supply and production, which studies have shown would increase fuel costs to families and businesses[1] and negatively impact our economy.

The California experience provides worrisome insights:

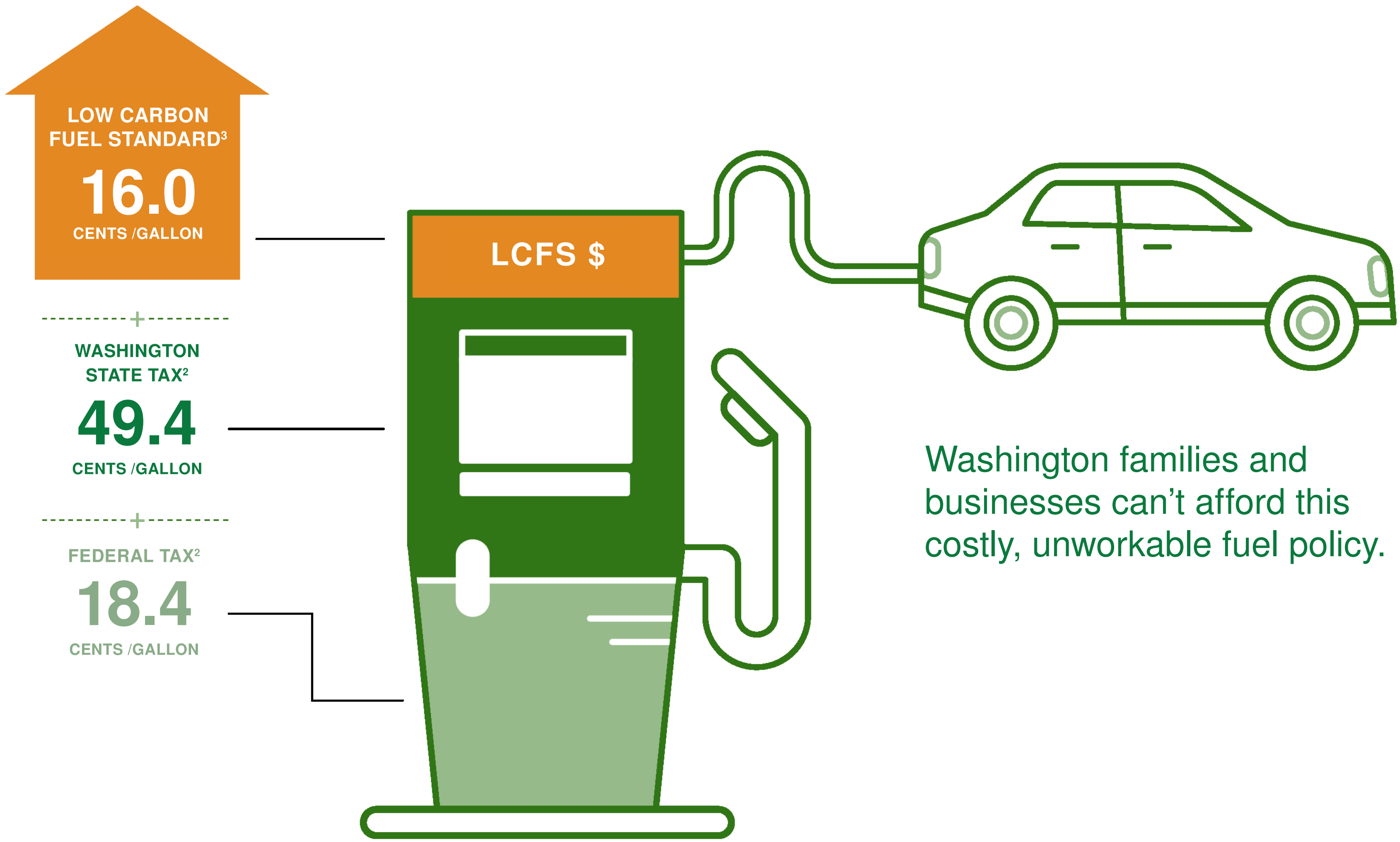
- According to data reported by the California Energy Commission, as of February 2019, the LCFS is adding 16 cents per gallon to the cost of gasoline and 16.6 cents per gallon to the cost of diesel fuels in California.[1]
- To date, the California LCFS program is only partially implemented, and studies by experts, such as Stillwater Associates, show that the LCFS cost impact on gasoline in California is expected to increase to between 47 and 71 cents per gallon by 2030.[2]
- Annual GHG emissions reductions in California from the LCFS have averaged only 1.3% of total state emissions.[3] In addition, leading environmental groups have raised concerns about expanded biofuel production, going so far as to say "food-based biofuels are likely as bad or worse for the climate than oil and gas."[4]

LCFS is the wrong policy for Washington

- Washington drivers already pay the second-highest gas tax in the nation – a combined 67.8 cents per gallon – according to a recent survey conducted by the American Petroleum Institute (API).[5] The LCFS cost impact, whether it is 16 cents per gallon or something more, represents significant additional cost potential that could negatively impact Washington consumers, businesses and families, as well as our state's economy.
- Higher fuel costs mean increased costs to Washington businesses that manufacture and transport consumer products, which would be passed on to consumers in the form of higher prices. This would make everything we buy more expensive. The consumers who ultimately get hurt the most are those that can least afford to pay more for the higher cost of goods and essential needs. The LCFS is a harmful, costly and regressive approach to carbon reduction policy.

1 "Recent Trends for Petroleum, Electricity & Renewables," Gordon Schremp. Prepared for: California Energy Commission, February 2019. OPIS data as reported.
2 Stillwater & Associates, Projecting the Costs of California's Cap & Trade and Low Carbon Fuel Standard Programs, July 25, 2018 https://stillwaterassociates.com/projecting-the-costs-of-californias-cap-trade-and-low-carbon-fuel-standard-programs/
3 "Status Review of California's Low Carbon Fuel Standard, 2011 – 2018 Q1", University of California, Davis, September 2018
4 "Burned: Deception, Deforestation and America's Biodiesel Policy", Mighty Earth, ActionAid USA, 2018
5 https://cdn.api.org/pdf/state-taxes/washington.pdf

LCFS: Costly, Regressive and Unworkable



Washington families and businesses can't afford this costly, unworkable fuel policy.

Sources:

1 U.S. Energy Information Administration: https://www.eia.gov/tools/faqs/faq.php?id=10&t=10
2 Washington State Department of Revenue: https://dor.wa.gov/motor-vehicle-fuel-tax-rates
3 "Recent Trends for Petroleum, Electricity & Renewables," Gordon Schremp. Prepared for: California Energy Commission, February 2019. OPIS data as reported.

This infographic shall not be construed as a forecast of fuel prices. The basic rules of supply and demand have a predictable impact on the price of gas. Additionally, inflation and taxes also account for the cost of gas to consumers.