

BARACK OBAMA: COMBATING GLOBAL WARMING

This is our generation's moment to save future generations from global catastrophe by creating a market for clean-burning fuels that can stop the dangerous transformation of our climate.

[Speech in Durham, NH 4/20/07]

COMBATING GLOBAL WARMING BY MAKING MORE EFFICIENT FUELS

THE PROBLEM

The U.S. consumes one-quarter of the world's oil, and the oil used in the U.S. transportation sector accounts for one-third of our nation's emissions of greenhouse gases. Barack Obama believes that the U.S. needs to take significant steps to use oil more efficiently in order to deal with the challenge of climate change and to lessen our dependence on foreign oil. One important way to use oil more efficiently is for the nation to transition towards fuels that emit less carbon dioxide.

The University of New Hampshire is a leader in using low-carbon fuels. By running almost all of its transit buses on either compressed natural gas or low-emission biodiesel UNH avoids the consumption of over 25,000 gallons of petroleum fuel per year.

In January 2007, California Governor Schwarzenegger issued an executive order to establish a low carbon fuel standard for transportation fuels sold in California. Under the California standard, the carbon intensity of California's passenger vehicle fuels would be reduced by 10 percent by 2020.

THE SOLUTION

Today Barack Obama is proposing the creation of a National Low Carbon Fuel Standard (NLCFS) that would consist of the following:

- **Set a National Standard for Low Carbon Fuels.** The lifecycle greenhouse gas emissions of the pool of passenger vehicle fuels sold in the U.S. would be reduced by 5 percent in 2015 and 10 percent in 2020.
- **Let the Market Work.** The market, rather than the government, would determine which fuels are used by fuel distributors and blenders to meet the NLCFS.
 - Because biofuels generally have lower lifecycle greenhouse gas emissions than gasoline, the NLCFS in effect would spur greater production of renewable fuels, such as corn and cellulosic ethanol, and biodiesel made from plant oils such as soybeans.

- The NLCFS will create a market incentive for greater research and investment into developing cleaner, less carbon intensive fuels. The NLCFS will also create an incentive for the production of more flexible-fuel vehicles that can run on ethanol and more plug-in hybrid vehicles that run on electricity.
 - The Obama plan also includes a clean transportation fuel standard, which requires fuel blenders to use minimum amounts of Clean Fuels (50% lower lifecycle greenhouse gas emissions than gasoline) and Ultra-Clean Fuels (75% lower greenhouse gas emissions). This requirement signals to investors that there will be a market for advanced fuels, but still allows significant leeway for fuel blenders to choose the optimal mix of fuels to meet their overall greenhouse gas emissions targets.
 - The Obama proposal includes a banking and credit trading mechanism to allow providers of cleaner burning fuel to trade allowances to other producers or bank allowances against future carbon reductions.
- **Study the Environmental Impact.** Finally, the proposal calls for the establishment of a methodology to assess the environmental impact of greater biofuels production.

THE RESULTS

The effect of the Obama plan would be dramatic, both in terms of reducing greenhouse gas emissions and reducing dependence on foreign oil.

- **Reduced Emissions.** According to one estimate, the NLCFS would reduce annual greenhouse gas emissions by about 180 million metric tons in 2020 compared to 2007 levels. **This is the equivalent of taking over 30 million cars off the road in 2020.** If enacted in conjunction with a bill (S. 767) proposed by Barack Obama to raise fuel efficiency standards, the NLCFS would reduce emissions by about 530 million metric tons of greenhouse gases in 2020, the **equivalent of taking over 80 million cars off the road.**
- **Reduced Gasoline Consumption.** By making greater use of home-grown, renewable fuels, the NLCFS could reduce the annual consumption of gasoline derived from foreign oil imports **by about 30 billion gallons in 2020.**