WHAT IS A CLEAN FUELS STANDARD?

A clean fuels standard would establish pollution limits for transportation fuels sold in Washington. These limits would reduce the carbon intensity of all fuels sold in Washington by ten percent over ten years.

A clean fuels standard is “technology neutral,” allowing fuel refiners to utilize their choice of cleaner fuel and technology to meet the standard. These technologies include advanced biofuels, electricity, natural gas, hydrogen, or even cleaning up existing petroleum-based gasoline and diesel. A clean fuels standard makes it possible for all types of fuel to compete based on their overall benefits and cost effectiveness. A robust market for clean fuels means healthier communities, more jobs and a growing local economy for Washington.

WHAT DOES A CLEAN FUELS STANDARD MEAN FOR JOBS IN WASHINGTON?

Environmental Entrepreneurs estimates that every million gallons of advanced biofuels generates 2.24 permanent jobs, 10.29 construction jobs and 15 additional indirect jobs. In 2011 alone, Washington refined 3.2 billion gallons of gasoline and diesel for consumption within and outside of the state. Switching even a fraction of that petroleum production to homegrown clean fuels will have tremendous job growth benefits.

A clean fuels standard will further benefit the Washington economy by taking some of the billions of dollars we currently send out of state and redirecting that money into local commerce. An analysis by the Union of Concerned Scientists found that switching from petroleum to electricity for transportation can save drivers about $1,000 per year in California. Savings are likely to be even higher in Washington due to our inexpensive electricity rates. Those savings give Washingtonians extra cash in their pocket, and the local economy.

WHY DO WE NEED A CLEAN FUELS STANDARD?

In 2011, Washington residents spent $14.3 billion on 4.4 billion gallons of out-of-state oil for all petroleum fuel uses. That is over $14 billion that leaves the state economy every year.

Along with sucking $14 billion from our state, petroleum-based transportation fuels are Washington State's largest source of carbon pollution and the leading contributor to devastating climate disruption. In 2010, greenhouse gas (GHG) emissions from petroleum-based transportation fuels made up over 40% of the state's total carbon pollution.

A clean fuels standard helps our economy and reduces carbon pollution at the same time. Producing cleaner fuels in state grows investment and keeps money in our communities while addressing climate change by reducing carbon pollution.
WHAT ARE THE HEALTH BENEFITS OF A CLEAN FUELS STANDARD?

Cleaner fuels are critical to reducing smog and other dangerous air pollutants. The American Lung Association of the Mountain Pacific is a strong supporter of a clean fuels standard, identifying numerous ways in which cleaning up our transportation fuels improves the health of our communities, especially for pregnant women, children and the elderly. Pollution from petroleum-based fuels is a major cause of respiratory diseases and cancer:

- Particulates, like soot and diesel emissions are a leading cause of asthma and respiratory infection as fine particles penetrate deep into the lungs;
- Particle and ozone pollution cause heart attacks and cardiovascular mortality; and
- Tailpipe emissions release particulate matter and volatile organic compounds like benzene and 1,3-Butadiene, two known carcinogens.

“"The oil industry claims it is too expensive to clean up their act. My response is that we can’t afford not to: cleaner fuels are essential for public health and healthy lungs.”
--- Carrie Nyssen, American Lung Association of the Mountain Pacific

WHO ELSE HAS A CLEAN FUELS STANDARD AND HOW IS IT WORKING?

Both California and British Columbia have enacted a clean fuels standard and are seeing economic and environmental benefits. Part of a landmark package of climate policies enacted in 2008, California’s low carbon fuels standard is responsible for significant pollution reductions. Five years into the policy, it’s becoming clear that the clean fuels standard is also the primary driver of a thriving market for cleaner fuels and is spurring investment in innovative technologies.

When the petroleum industry tried to knock down the California clean fuels standard in court, they lost badly. Judge Ronald Gould of the Ninth Circuit Court looked found that the CFS “is starting to work as intended.” In California, the CFS is now a fundamental part of the energy market – driving investment, creating jobs and taking carbon out of the California’s fuel. California’s experience with a CFS has shown the policy to be a robust foundation for increasing investment, creating jobs and growing the economy. Clean fuels solutions are coming to market much faster than expected. One company alone, Clean Energy Fuels, expects to sell 15 million gallons of landfill-derived methane this year—double the EPA’s nationwide estimates. Major fleets such as AT&T, UPS, Verizon, Mattel, Lily Transportation, SuperShuttle and Hertz are enthusiastically switching to cleaner fuels. As John Simourian, CEO of Lily Transportation says, “It’s just a win all around.”

WHAT DOES A CLEAN FUELS STANDARD MEAN FOR FUEL PRICES?

A clean fuels standard will help free the Washington fuels market from the fluctuations of the global petroleum market. By producing fuels in-state, Washington consumers will benefit from shorter supply chains and more reliable production. Washington’s CFS will coordinate with similar policies in British Columbia, Oregon and California, harmonizing, stabilizing and streamlining the West Coast transportation fuels market. A recent review of the CA clean fuels standard conducted by NW New Energy found that the policy is working as intended, leading to the displacement of over two billion gallons of gasoline and 77 million gallons of diesel fuel. There is no clear evidence that the CFS has led to a spike in fuel prices. In fact, Californian gas prices have increased less than the national average.

Technical analysis by the consultancy Leidos found that a Washington CFS would likely cost less than $8 per gallon – over twenty years. In California, a study by ICF International found that compliance costs would likely fall under $20 per gallon. As a comparison, California’s gas prices have swung an average of $75 per gallon annually since 2010.

HOW IS THIS STANDARD DIFFERENT FROM THE RENEWABLE FUELS STANDARD?

Unlike a renewable fuels standard, a clean fuels standard does not mandate any particular fuel or technology. Instead, a CFS levels the playing field for transportation fuels by creating market competition based on cost, effectiveness and carbon content. A CFS is the most cost effective way to reduce pollution while creating jobs and diversifying the fuels market.