

*Provided at Council
Meeting 2/21/2012
Charlie Peters*

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From: Energy Institute <ei@haas.berkeley.edu>
To: cappcharlie@earthlink.net
Cc: Energy Institute at Haas <ei@haas.berkeley.edu>
Subject: Cease fax transmission
Date: Feb 20, 2012 8:39 AM

Hello Charlie,

This is the third attempt I have made in asking that you DO NOT fax to the Energy Institute at (510) 643-5180. If you wish to convey your ideas to us, please send an email.

WE WILL NO LONGER BE ACCEPTING YOUR FAXES.

Thank you for your understanding.

Energy Institute at Haas

CAPP contact: Charlie Peters (510) 537-1796 cappcharlie@earthlink.net

EPA Told It Can't Order Ethanol Use in Gasoline Court says agency exceeded authority

By San Francisco Chronicle, A.P., April 29, 1995, page A - 5

(04-29) 04:00 PST Washington -- In a blow to farmers, a federal appeals court ruled yesterday that the government cannot require corn-based ethanol as an additive in a cleaner-burning gasoline now sold in 17 states.

The cleaner, reformulated gasoline has been on the market since January under an Environmental Protection Agency directive to help reduce smog-causing pollution from motor vehicles.

The gasoline burns cleaner and emits 20 percent less pollution because of higher levels of oxygen. But there has been a bitter dispute over what kind of oxygen additive should be used -- ethanol from corn or the petroleum-based methanol derivative MTBE.

At stake are hundreds of billions of dollars.

Agriculture groups estimate that a 30 percent market share of the oxygen additive -- as the EPA had sought to impose -- would require 650 million gallons of ethanol a year with revenue to farmers and related industries of as much as \$1.5 billion annually.

REFINERS PREFER MTBE

The EPA had wanted to assure that ethanol, an environmentally friendly and renewable product, be allowed a substantial market share even though refiners generally favor the petroleum-based MTBE. The EPA rule issued last year would require ethanol to be at least 30 percent of the oxygenate.

But the U.S. Court of Appeals, which last September put a temporary stay on the EPA's ethanol mandate, ruled

yesterday that the agency had gone beyond its authority in setting a minimum market share for ethanol.

The three-judge panel concluded that although the EPA had "the authority to set a standard" for cleaner gasoline under the 1990 Clean Air Act, it could not "mandate the manner of compliance or the precise formula" for the fuel.

The ruling was in response to a lawsuit filed by the petroleum industry, which had argued that the Clinton administration had bowed to political pressures from farm states to promote the ethanol industry while providing no additional environmental benefits. Ethanol, the suit argued, also is more expensive because of higher transportation costs.

EPA Administrator Carol Browner said in a statement that she was disappointed by the court decision. "Renewable energy sources like ethanol offer important environmental benefits," said Browner. She said no decision had been made on whether to appeal to the Supreme Court, but legal experts said an appeal is unlikely.

Farm and ethanol industry groups said the decision would not mean an end to ethanol as a gasoline additive. Agriculture Secretary Dan Glickman said the administration planned to examine whether the farm bill in Congress might be used to help the ethanol industry.

Even without the EPA's mandate, "ethanol market share has significantly increased . . . and has created a choice for consumers unhappy with MTBE,"

said Eric Vaughn, president of the Renewable Fuels Association, an ethanol trade group. He said ethanol is used in about 11 percent of the nation's fuel, both reformulated gasoline and as motor fuel used in farm regions.

'THIS WILL SHARPEN OUR FOCUS'

"This will sharpen our focus and force us to redouble our efforts," said Rod Gangwish, president of the National Corn Growers Association. He said there are 43 ethanol plants, five more than just two years ago, producing 1.4 billion gallons annually. Six plants are under construction.

Although MTBE is the predominant oxygenate for reformulated gasoline, the petroleum industry does use ethanol in some parts of the country, primarily in the Midwest, where it is readily available.

But the MTBE itself has been the focus of controversy. People have complained because reformulated gasoline -- no matter what oxygenate is used -- is more expensive than conventional gasoline.

Reformulated gasoline has been sold since December. It has been required by the EPA as of January 1 in nine metropolitan areas with the worst smog problem: New York, Los Angeles, Chicago, San Diego, Baltimore, Milwaukee, Houston, Philadelphia and Hartford, Conn.

In 12 states, local or state officials have decided voluntarily to become part of the program to help reduce air pollution.

<http://www.sfgate.com/cgi-bin/article.cgi?f=/c/a/1995/04/29/MN33486.DTL>

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Ethanol waiver available

Orange County Register, Sept. 20, 2005 3:00 a.m.

Tucked in among the pork and subsidies Congress passed in the energy bill this summer was a provision that could work to California's advantage - if California officials take advantage of it.

According to Congressional Quarterly magazine, the Environmental Protection Agency "would have the authority to reduce or waive the requirement for a state in which a percentage of fuel sold in that state contains renewable fuel additives. The requirement could be waived if it is determined that the mandate would have a significant adverse economic or environmental impact on the state or region." The waiver would be for one year, but it can be renewed.

As we have noted previously, California has had problems with the federal mandates under the Clean Air Act amendments of 1990, which mandated that "reformulated gasoline contain 2 percent oxygen." Most California refiners chose to meet that requirement by adding methyl tertiary butyl ether (MTBE), but it created both environmental and economic problems. It escaped easily from storage tanks and in some cases led to water supplies and

bodies of water having an unpalatable taste and odor. There are also allegations that MTBE can lead to diseases.

California governors Gray Davis and Arnold Schwarzenegger, supported by elected officials from both parties, have in the past applied for a waiver from the federal oxygenate mandate without success. The energy bill, according to the Congressional Research Service, eliminates the oxygenate mandate but replaces it with a mandate to use increasing amounts of ethanol, made from corn. And it allows states to apply for a waiver.

California has led the nation in regulating fuel to reduce air pollution, and California regulators believe the oxygenate mandate and ethanol are not necessary to reduce smog; indeed, some environmentalists believe ethanol makes certain aspects of smog worse.

Gasoline with ethanol is also more expensive, so mandated ethanol use is a factor - though not the only one - in gasoline being more expensive in California. Gov. Schwarzenegger should move aggressively to apply for a waiver from this unnecessary mandate to subsidize agribusiness in the Midwest.

<http://www.ocregister.com/opinion/california-42628-mandate-ethanol.html>

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Clean Air Performance Professionals

21860 Main Street Ste A
Hayward, California 94541

Tuesday, February 7, 2012
Honorable David Valadao
State Capitol
(916) 319-2030 / 319-2130 fax

RE: Vote **NO** on Assembly Bill 523 unless amended.

Goodmorning Mr. Valadao,

Federal ethanol policy increases Government motors oil use and Big oil profit.

It is reported that today California in using Brazil sugar cane ethanol at \$0.16 per gal (\$8billion for Big oil) increase over using GMO corn fuel ethanol. This game of the cars and trucks get to pay and Big oil profits are the result is ready for change.

The car tax of AB 118 Nunez is just a simple Big oil welfare program, AAA questioned the policy and some folks still agree.

Your AB 523 is just a short put (waiver) from better results, fuel ethanol stinks.

Folks that pay more at the pump for less from Cars, trucks, food, water & air need better, it is time.

Thank you for your service

Clean Air Performance Professionals

Charlie Peters
(510) 537-1796
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cc: interested parties

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Ethanol waiver available.

<http://www.ocregister.com/opinion/california-42626-mandate-ethanol.html>

“What once was bipartisan agreement on the need to reduce greenhouse gases has been recast as a political food fight. Advocates of renewable energy feel cornered by the gridlock in Congress and waning interest in climate change. But arguing that renewable energy is the best way to address economic or security concerns isn’t the way to prevail. It just focuses the debate on issues where fossil fuels are almost sure to win.”

Making the Wrong Case for Renewable Energy

By Severin Borenstein, Bloomberg, Feb 13, 2012 4:01 PM PT

What problems can the U.S. solve with renewable energy?

Four years ago, both presidential candidates acknowledged the threat of climate change and endorsed vigorous policies to move away from fossil fuels. The U.S. seemed on the verge of committing to greenhouse-gas reductions and developing alternative-energy technologies. Since then, most Republican leaders have become skeptical about global warming and now oppose any major policy response.

Democrats, including President Barack Obama, have stopped talking about the subject. Their energy proposals now target lower costs, energy security and job creation from domestic production. That doesn’t mean they no longer worry about climate change; they just decided it would be politically infeasible to adopt greenhouse-gas policies directly. Instead, they are betting they can push the climate agenda indirectly, by focusing on renewable energy as the solution to other problems.

It’s a bad bet and likely to backfire. The U.S. needs to invest in renewable energy, but not because that would be a good way to address energy security, affordability or unemployment.

While it’s tempting to roll all our energy challenges into one, the problems and the solutions are numerous and distinct. If your goal is just to maintain moderate energy costs or achieve greater energy security, your friendly neighborhood fossil-fuel producers have the answers.

Abundant Resources

Domestic coal is cheap and plentiful, and likely to remain so for centuries. Natural gas is more abundant by the month. With new drilling technologies, there probably is enough moderately priced domestic gas to last for decades.

Similar new techniques are even improving U.S. oil production. More than half of the oil we use is now produced domestically and that share is likely to rise over the next decade. Technologies for converting coal and natural gas to a gasoline equivalent are also advancing.

Sure, the cost of low-carbon energy technologies -- wind, solar, biofuels and others -- is coming down. But improvements in technologies for extracting fossil fuels are making it harder for renewables to reach cost parity. Scientific breakthroughs are hard to predict: still, the most likely scenario is that domestically produced fossil fuels will be the lowest-cost way to meet most of our energy needs and achieve greater energy security for years to come.

The employment argument also falls short. During a recession, it makes sense for the government to promote job creation with subsidies and federal expenditures, some of which may be targeted at specific industries. In the longer run, however, economists are almost unanimous that the economy creates more and better jobs when companies operate in the most cost-effective way. If we don’t count the cost of environmental damage, that’s likely to mean carbon-based energy for generations.

Some politicians argue that the government needs to invest in alternative energy because it’s the next economic frontier. The evidence doesn’t suggest such

initiatives build a sustainable industry. In Spain, renewables took off during the last decade, but the industry crumbled in 2009 when subsidies were halted during the country's fiscal crunch. Germany made a big push in solar photovoltaic technology with subsidies more than five times the cost of conventional power generation, and manufacturing of PV systems exploded. Then China got into solar- panel production and German firms' share of domestic PV sales fell to 27 percent in 2010, from 77 percent in 2008.

Global Warming

The only compelling argument for policies to boost renewables and reduce fossil fuels is the environment. The vast majority of climate scientists believe that carbon-dioxide emissions from burning fossil fuels are the primary cause of climate change. Most believe there is a real risk that the changes could cause major ecosystem disruptions, including more frequent droughts, floods, hurricanes and wildfires, as well as rising sea levels, more conflicts over resources and accelerated species extinction.

Economists of all political persuasions agree that the free market, by itself, won't address unregulated emissions that damage the environment. Government policy is necessary and the most efficient policy is pricing those emissions. By doing so, we give incentives to develop all possible solutions -- solar, wind, biofuels, nuclear power, improved energy efficiency and even capturing emissions from power plants and sequestering them underground.

We need to encourage all these technologies because

we don't yet know which will be cheapest or most scalable. Those incentives, however, should be even-handed, not the patchwork of mandates, subsidies and tax breaks for favored technologies that we have today. Pricing greenhouse gases helps all low-carbon alternatives without putting a thumb on the scale.

If conservatives continue to reject carbon pricing -- even though cap and trade was the brainchild of mainstream Republicans -- then subsidizing green power is probably the best option. It is a more costly way to rein in greenhouse gases, as I explain in recent research. But if similar subsidies for all low-carbon technologies maintain a level playing field, such an exchange is still likely to be a major step in fighting climate change.

Those market incentives need to be augmented by support for the scientific research that will discover the next generation of low-carbon technologies. The federal government supports basic research in medicine, telecommunications and electronics, and needs to nurture energy technologies in the same way. As a share of gross domestic product, energy gets far less support than these other areas.

What once was bipartisan agreement on the need to reduce greenhouse gases has been recast as a political food fight. Advocates of renewable energy feel cornered by the gridlock in Congress and waning interest in climate change. But arguing that renewable energy is the best way to address economic or security concerns isn't the way to prevail. It just focuses the debate on issues where fossil fuels are almost sure to win.

(Severin Borenstein is E.T. Grether Professor of Business and Public Policy at the Haas School of Business at the University of California, Berkeley. He is co-director of the Energy Institute at Haas and director of the U.C. Energy Institute, and a contributor to Business Class. The opinions expressed are his own.)

Read more opinion online from Bloomberg View.

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<http://www.bloomberg.com/news/2012-02-14/making-wrong-case-for-renewable-energy-commentary-by-severin-borenstein.html>

Improved performance of Partial Zero Emissions Vehicles (PZEV), Smog Check & an ethanol fuel waiver (AB 523 Valadao) might improve the air & the fuel price this year.

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February 17, 2012

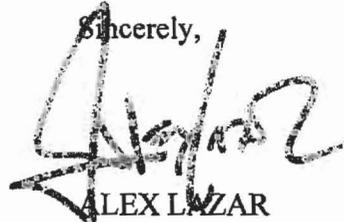
Charlie Peters
21860 Main Street, Suite A
Hayward, California 94541

Dear Mr. Peters:

Thank you for contacting the office of Congresswoman Nancy Pelosi regarding your concerns. As much as we would like to assist you, your concern falls under the jurisdiction of the State of California.

Since you reside in the 10th California State Senate District, I have taken the liberty of forwarding your case to California State Senator Ellen Corbett.

Sincerely,



ALEX LAZAR
Constituent Services Representative
Office of Congresswoman Nancy Pelosi

CC: Senator Ellen Corbett

Ethanol waiver available.

<http://www.ocreger.com/opinion/california-42628-mandate-ethanol.html>

"California's (gas) average stands at \$3.956 a gallon, which is also a record for Feb. 17, breaking the old mark set last year by a whopping 45.3 cents a gallon." -----

... \$4 gas in Los Angeles

Los Angeles Times, February 17, 2012, 12:31 p.m.

Just in time for Presidents Day: get ready for the long holiday weekend's highest prices ever in Southern California as \$4 gasoline is expected to arrive in Los Angeles, Long Beach, and probably Orange County, too.

That's what energy analysts are predicting as the average price of a gallon of gasoline in the Los Angeles-Long Beach area reached \$3.996 a gallon overnight, up nearly 2 cents since Thursday. That was also a jump of 15.9 cents a gallon since last week.

That's according to the AAA Fuel Gauge Report, a daily record of credit card receipts compiled from more than 100,000 service stations around the U.S. by the Oil Price Information Service in New Jersey and by Wright Express.

Not far behind the L.A. area: San Diego is also on the brink at \$3.992 a gallon, up 16.2 cents since last week, according to the report. Orange County was also on the cusp, rising 16.2 cents a gallon in the past week to an average of \$3.989 a gallon.

"There was quite a paroxysm in the spot market for wholesale gasoline and a confluence of refinery maintenance," said Tom Kloza, chief oil analyst for

OPIS. "It's quite noticeable because the price of crude is also over \$100 a barrel. And if you live on the East or West Coast, you are dealing with a lot of \$115 to \$120 a barrel oil, like Alaskan crude and Brent crude."

Kloza was referring to refineries in the state that had shut down for maintenance, which usually causes a spike because supplies are so tight, but that wasn't the only factor.

Kloza said that California is already in its switchover from cheaper winter blend gasoline to a more complex and more expensive summer blend of gasoline. California is the first state in the nation to make the switch.

The pain at the pump is widespread in the state. Overnight, average prices rose above \$4 in the Santa Barbara, Santa Maria and Lompoc region (\$4.031 a gallon); in the San Luis Obispo, Atascadero and Paso Robles region (\$4.030); and in San Francisco (\$4.006 a gallon).

California's average stands at \$3.956 a gallon, which is also a record for Feb. 17, breaking the old mark set last year by a whopping 45.3 cents a gallon.

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<http://www.latimes.com/business/money/la-fi-mo-four-dollar-gas-20120217,0,7150361.story>

Improved performance of Partial Zero Emissions Vehicles (PZEV), Smog Check & an ethanol fuel waiver (AB 523 Valadao) might improve the air & the fuel price.

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