Health Effects Institute

Charlestown Navy Yard
120 Second Avenue
Boston MA 02129-4533 USA
+1-617-886-9330
FAX +1-617-886-9335
www.healtheffects.org

Comments of

Dan Greenbaum, President
Health Effects Institute

Before the
Governors' Task Force on Boutique Fuels

May 18, 2006

I am please to have this opportunity to provide comments in support of your deliberations concerning so-called "boutique" fuels. I speak both as the President of the *Health Effects Institute* – an independent not-for-profit research institute supported by government and industry to provide high quality, credible and relevant science on the health effects of air pollution (including emissions from fuels) – as well as the past Chairman of the *National Blue Ribbon Panel on Oxygenates in Gasoline*.

The Task Force is seeking input on the validity, or need for updating, of the EPA 2001 analysis of different options.

First, before commenting on those specific questions, I would suggest that the term "boutique fuels" is inappropriate. It is my understanding that absent any environmental regulations, there would be ***no single national fuel formulation***; different climate conditions and feedstocks always result in somewhat different formulations in, for example, the hot and humid Southeast vs. the dry Southwest. Thus variation in fuels is natural and necessary and we would hope the Task Force would focus on the much narrower question of what the impacts are for the added variability in fuels that multiple state environmental regulations might bring.

Second, some of the same differences in climate, as well the clearly different issues of air quality problems and sources in different parts of the country, would require some degree of continued variability in fuel in different regions in order to maintain cost-effective fuels that minimize emissions of compounds that can cause health effects and that are part of the air quality solutions in those areas that need them. These fuels need to be able to meet regional vehicle performance needs while also taking advantage of the most economic feedstocks and continuing to contribute to reduced emissions of certain pollutants and cleaner air. At the same time, it is likely that these needs can be met with a much smaller number of options for such fuels and that truly "boutique" applications (e.g. one state's unique requirements within a region having different, consistent requirements across multiple states) are not necessary to meet the air quality goals.

With these points a background, I have the following specific responses to the questions on the 2001 analysis:

1. *The Four Options Contained in the 2001 Analysis:* In large measure these four options do encompass the major options for this narrow question, although it would be useful for them to ultimately be subsumed in a larger analysis of the full range of fuel type and source options (e.g. ethanol, alternative fuels, etc.)

2. *Are the findings on cost, fungibility, air quality, and supply still accurate?* Although there has not likely been overwhelming change in these parameters, there is at least one major change in the fuel supply requirements that require further analysis – the change to a Renewable Fuel Standard in the 2005 National Energy Policy Act, and the effective elimination of the use of MTBE in the fuel supply. While the MTBE to ethanol transition will likely only have short term impacts on issues of supply, the larger move to greater production and use of ethanol, and the potential air quality emissions impacts need to be further analyzed. This need overlaps with some of the analyses EPA has been asked to do under the Energy Act and should especially look at questions of likely changes that might result in both decreases of emissions of some hazardous air pollutants (e.g. aromatics) and increases of others (e.g. aldehydes).

3. *Additional analysis needed?* The changes in the fuel supply discussed in 2. above will require more detailed data on the likely air toxic emissions from a range of new and older vehicles using a set of ethanol blend reformulated fuels with different levels of ethanol and using different regional underlying blends of petroleum products. While some of this information is currently available, additional testing will likely be required.

4. *Balance of state requirements vs. supply/distribution issues*? It is important to note that the 2001 study ***did not*** find a significant imbalance of supply given a wide range of specific state requirements already in place. Having said that, changing fuel components and supplies would suggest the consideration of certain principles in future decisions on state requirements vs. larger supply availability:
   a. For large states (e.g. California) and/or multi-state regions that have both a large enough market and significant air pollution problems, there should be continued ability to either adopt alternative formulations or select among one of several pre-approved formulations identified by EPA.
   b. For smaller states, or individual states within larger regions that are implementing clean fuels as in a. above, it would seem less appropriate for them to have different requirements than the surrounding states.

I hope these comments are of some use; thank you for the opportunity to provide them. If there are any further questions I can be reached at:

Dan Greenbaum, President
Health Effects Institute
120 Second Avenue
Boston, Massachusetts 02129 USA
Tel: +1 617 886 9330 x331
dgreenbaum@healtheffects.org