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August 11, 2011

Clerk of the Board,
Air Resources Board
1001 I Street
Sacramento, CA 95814

Re: California Biomass Energy Alliance comments on the treatment of biomass power in the Air Resources Board's Proposed California Cap on Greenhouse Gas Emissions Market-Based Compliance Mechanisms 15-day Language

Dear Clerk of the Board:

The California Biomass Energy Alliance (CBEA) is the trade organization of the 33 operating biomass power plants operating in California. CBEA speaks for the biomass industry in many areas that affect biomass-fueled electricity generation, and herein offers our comments on the proposed cap and trade regulation as it pertains to our industry.

We wish to compliment the ARB on your treatment of biomass under § 95852 of the proposed cap-and-trade regulation. Section 95852.2 provides a well-reasoned listing of biomass sources that have been shown to have lower emissions levels of greenhouse gases when used for energy production than when disposed of using conventional means, such as landfill disposal and open burning.¹ Indeed, biomass power production in California provides approximately twice the greenhouse-gas benefit of other renewable resources by not only avoiding energy production using fossil fuels (this is the benefit provided by all renewable generation technologies), but also by reducing the emissions of greenhouse gases associated with the recycling of the carbon in the biomass if it is disposed of by other, more conventional means rather than being converted to energy. This latter is the greenhouse-gas benefit that is unique to biomass-fueled renewable energy.

CBEA has one remaining issue with the 15-day language. Section 95852.1.1(b) specifies that as part of a biomass-derived fuel's eligibility to avoid a compliance obligation:

No party may sell, trade, give away, claim or otherwise dispose of any of the carbon credits, carbon benefits, carbon emissions reductions, carbon offsets or allowances,

¹ Morris, G., *Bioenergy and Greenhouse Gases*, Report of the Pacific Institute, May 15, 2008.

howsoever entitled, attributed to the fuel production that would prevent the resulting combustion from not having a compliance obligation.

It appears as if the result of this section may go well beyond its intent. It is the concluding paragraph of a section of the rules (§ 95852.1.1) that otherwise is concerned only with biogas and biomethane. Unfortunately, because § 95852.1.1(b) references “biomass-derived fuel,” it could be construed to include solid-fuel biomass. Moreover, it could be interpreted in such a way as to preclude the development of a protocol for the awarding of offsets for net reductions of greenhouse-gas emissions for the diversion of biomass from open burning, landfill burial, and other alternative fates to renewable energy production. CBEA has been working with your office over the past couple of years to lay the groundwork for the development of such a protocol, and it is our understanding that this is a shared goal. We note that the definition of the REC that is used for RPS program compliance in California specifically excludes fuel-related attributes from the REC, a distinction that was enacted for the express purpose of allow these attributes to be available to energy producers, if-and-when suitable protocols are developed.

CBEA respectfully requests that the language be amended to clarify that this section does not refer to solid-fuel biomass.

California today has 33 biomass electric generating facilities, distributed across 19 counties, with a combined generating capacity of over 600 MW of reliable, baseload, renewable power that can be counted on and scheduled. Biomass power is approximately 2 percent of the overall power generated in the State, and about 18 percent of all the renewable power generated in the state. The industry employs approximately 750 workers directly at the power plants, and supports approximately 1,500 additional jobs in fuels production and transportation. Most of these jobs are in rural areas of the State. These are some of the “green jobs” promised by the State’s moves to reduce greenhouse-gas emissions. Biomass power production in California is a critical component of the state’s renewable energy needs, solid-waste disposal infrastructure, and air quality improvement goals.

Thank you for considering this clarification to Section **95852.1.1(b)**. We support implementation of the cap-and-trade rules without modification to any other sections pertinent to biomass energy production and protect this important green jobs industry.

Sincerely,



Julee Malinowski-Ball, Executive Director
California Biomass Energy Alliance