



November 1, 2013

California Air Resources Board

Re: CBEA Comments AB 32 Scoping Plan Update

The California Biomass Energy Alliance represents the state's existing renewable woody biomass power producers. There are 33 facilities generating over 600 MWs of clean, renewable power that can be counted on 24/7 under all atmospheric conditions. Biomass power helps California meet mandated GHG reductions by diverting wood residues and byproducts into fuel that provides a net reduction of over 3.5 million tons of biogenic GHG emissions per year. An additional 3.0 million tons of avoided GHG emissions per year results from the biomass industry's displacement of fossil-fueled generation by the electric utilities. Biomass is also one of the few GHG reduction tools that cross so many sectors – energy, waste management, water, natural resources and agriculture, an attribute only mentioned in the waste management section. CBEA's comments on the *Climate Change Scoping Plan First Update* ("Discussion Draft") focus on the uneven success of the RPS as it relates to bioenergy, and identify two additional short-term solutions that should be identified in to our progress to 2020.

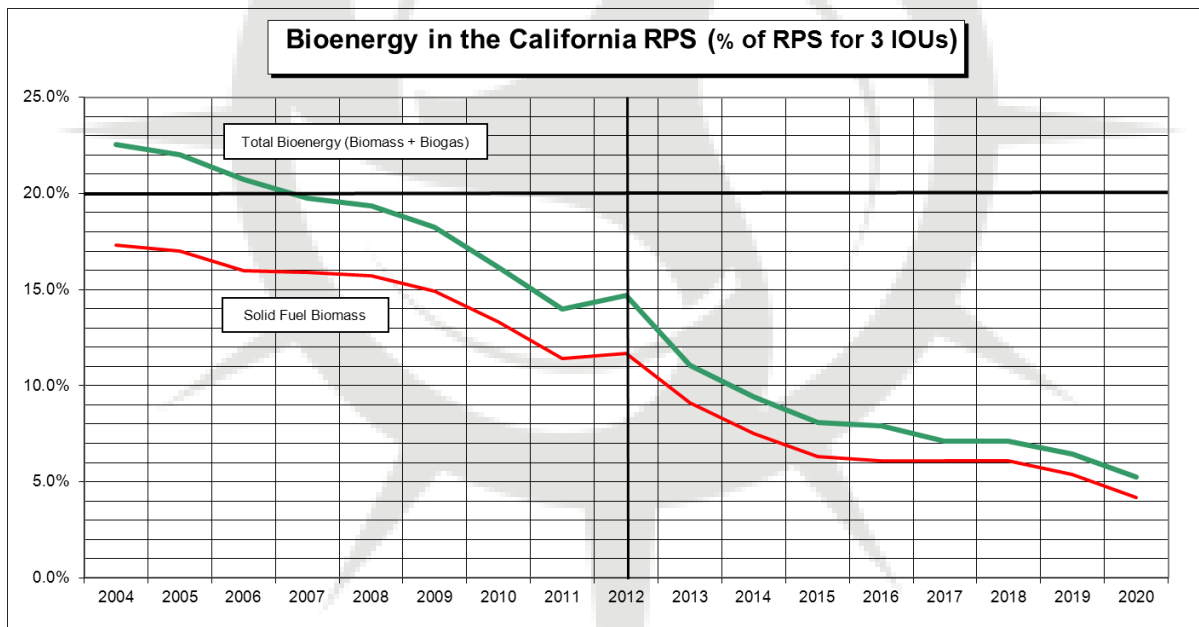
Unbalanced RPS progress

When the California RPS program began in 2003, ten percent of the state's electricity supply was renewable, and intermittent renewables accounted for less than 20 percent of total renewables, or 2 percent of total energy production in the state. Based on the portfolio of the state's projects-in-development, most of the growth that is likely to occur over the coming decade will be in solar generators of various kinds, with a significant contribution from wind, *and little else*. The result is that in 2020, when the state is mandated to procure 33 percent of its electricity supply from renewables, intermittents could account for some three-quarters of total renewables, and more than 20 percent of the state's total electricity supply. As noted on page 26, the state can tout this as a success for solar and wind. However, that represents a major structural change in the composition of California's electricity supply, occurring over a relatively short period of time, which could have negative effects on GHG-emission-reduction perspective.

What does this mean for GHG reductions from the energy sector? In order to deal with a system powered by a significant percentage of intermittent generating capacity, many are calling for a transition for the balance of the system away from traditional baseload generators (biomass and geothermal), to what are currently being referred to as flexible operating resources. Although

biomass is capable of providing ramping services, that essentially means biomass facilities will be operating less, thereby taking less fuel and contributing less to the overall emission reduction goal not just in the energy sector but those other sectors that are counting on this technology as well.

We agree with the statement later in the Discussion Draft that the State is unable to achieve needed GHG emissions by continuing current trends (p84), but this statement should be made in the progress toward 2020 analysis. The Scoping Plan Update should identify this growing problem with the current RPS and its cross sector impacts. The Update should reflect the need for California's renewable energy goals to include a balance of renewable energy resources with special attention paid to biomass – sustaining existing facilities and building new ones, large and small – due to its cross sector integration attributes. As the figure below shows, based on the utilities' own projections the contribution of bioenergy to total renewables is expected to decline precipitously through the end of the decade (from the Aug. 1, 2013, RPS Compliance Reports submitted by the IOUs to the CPUC). While we also support the suggestion of a long-term energy plan we would argue attention needs to be paid to this issue now. There are things the State can be doing today to ensure we don't lose these valuable GHG reducing resources and Chapter III: Progress Toward the 2020 Goal section should reflect this need.



Short-term Cross Sector Solutions for Biomass

As ARB and its sister agencies contributing to the discussion draft are fully aware, the State does not just benefit from biomass with cleaner air and reduced greenhouse-gas emissions associated with the disposal of the State's biomass wastes, but decreased consumption of landfill space, reduced wildfire risk in the State's forests, and generally healthier forests. The fuel-production alternative also provides many more jobs than conventional disposal of the biomass materials, primarily in rural economically disadvantaged areas of California. In addition to RPS reform, we

recommend two additional components be added to the Scoping Plan that ensure a continuing contribution of biomass through 2020.

1. Although the AB 32 Cap and Trade Regulation appropriately identifies bioenergy that uses qualifying fuels as carbon neutral, the carbon neutral designation isn't enough to promote biomass development. Consistent with the Bioenergy Action Plan Update Item 4.6: Consider Adoption of Offset Protocols for Bioenergy, CARB should develop biomass-fuels GHG offset protocols. Currently, the ARB has a GHG offset protocol for reducing the emissions from livestock waste, but not for other greenhouse gas reductions associated with bioenergy. Adoption of additional offset protocols under AB 32 could help to monetize the GHG emissions benefits associated with bioenergy, helping improve the economics of a facility beyond its utility power purchase agreement (PPA). As a number of biomass plants are going off of their original PPAs in the next two-to-five years, there will be opportunities in new PPAs to fairly compensate these biomass plants for these GHG emissions benefits if a protocol is in place.
2. A major barrier to developing and commercializing clean solid-fuel bioenergy technologies is the deployment of untapped fuels. Technologies are available to take advantage and advance bioenergy generation, yet the state falls far short of its potential to produce clean, reliable bioenergy because its seemingly abundant fuel source – most notably agricultural and forest waste – remains untapped due to the significant cost of deployment. The Scoping Plan should highlight the role cap and trade auction revenue could play in solving this solvable problem. Much of the State's agricultural and in-forest wastes are disposed by open burning, which is the least environmentally-preferable alternative for the disposal. By funding the diversion of these resources to bioenergy facilities the state would not just benefit from real and calculable reduced greenhouse-gas emissions associated with the disposal of the State's biomass wastes, but cleaner air for all Californians. This recommendation should be repeated within the waste management, water, natural resources and agricultural sectors.

Thank you for your consideration.

Sincerely,



Julie Malinowski Ball, Executive Director
California Biomass Energy Alliance