



Electronically Submitted at:
cotb@arb.ca.gov

April 24, 2018

Clerk of the Board
California Air Resources Board
P.O. Box 2815
Sacramento, California 95812

Re: Proposed Amendments to the Low Carbon Fuel Standard Regulation
Hearing: 04/27/2018; Sacramento, CA

Dear Air Resources Board Members and Staff:

The California Biomass Energy Alliance ("CBEA") thanks you for the opportunity to provide written testimony in advance of the public hearing on the Proposed Amendments to the Low Carbon Fuel Standard ("LCFS") Regulation posted March 6, 2018. We appreciate and share CARB's goal of improving the effectiveness of the LCFS program. This goal complements the promotion and use of biomass materials, both in the production of renewable electricity and specifically in the use of such electricity as a transportation fuel for electric vehicles.

CBEA is a trade association representing California's existing biomass energy facilities that combust wood waste to produce electricity – material that would otherwise create adverse environmental impacts. There are 22 biomass electric generating plants operating in California, distributed across 17 counties. The biomass plants combined produce more than 565 megawatts of baseload renewable energy. That is enough to power more than 600,000 homes and is a critical resource to balance our grid when blended with intermittent renewables, ensuring we have a reliable source of electricity throughout the state.

As your staff is aware, the California biomass industry has strongly advocated for inclusion of biomass power in the LCFS. For decades, our members have supplied low carbon electricity to the California grid, and as a result paved the way for carbon reductions in the transportation sector. As an industry, we applaud Governor Brown's aggressive Executive Order, B-48-18, regarding the increased deployment of electric vehicles. Because of the abundance of low carbon intensity electricity in the form of biomass power, we believe that not only can our state achieve that goal, but it can do so using power that has the benefits of a more sustainable form

of transportation fuel while promoting rural communities, reducing the risk of forest fires, and improving air quality.

At a national level, our members have led an effort to qualify electricity derived from certain woody biomass materials as a transportation fuel under the federal Renewable Fuel Standard. In 2014, EPA ruled that renewable electricity was a qualified fuel under the RFS, and included biogas derived from landfills, digesters, and waste treatment systems as approved feedstocks. In 2018, we were informed by the Agency that our power meets the statutory requirements of the RFS and we are seeking such approval through a series of pathway petitions.

CBEA applauds California's efforts in this rulemaking to bring additional value to biomass power by allowing our members to benefit from the RFS and the LCFS in the exact same way that producers of renewable natural gas have done. Indeed, the Air Resources Board, through this rulemaking, has adopted a series of principles that are already applicable to renewable natural gas, and work equally well for renewable electricity from biomass. These principles are as follows:

1. Include Producers of Biomass Power as Fuel Reporting Entities Under Section 95483.

Under current law, only EDUs qualify for the credit, and the credit is based on an average carbon intensity (CI) index that does not reflect the value of specific producers. Current law allows RNG producers to have the value of their gas based on a specific, and favorable, CI that is not simply the average of the CI of the natural gas system. Proposed changes to Section 95483 allow our members to become "fuel reporting entities" much like RNG producers, and benefit from the LCFS by being recognized for the environmental value of their fuel. In addition, these changes make California law consistent with the RFS, where producers, and not utilities, are the generators of RINs. For these reasons, we SUPPORT changes to Section 95483.

2. Require Deliverability Within the California Balancing Authority

We do not oppose a requirement that the renewable electricity must be supplied to the grid within a California Balancing Authority. That said, we urge the Board to apply the same deliverability principles to all forms of alternative fuel.

3. Preventing Double Counting

We concur with the proposed regulation preventing the simultaneous use of low carbon electricity for both the LCFS and for the California Renewable Portfolio Standard. The programs have distinctively different goals and requirements, and to allow producers to claim both will result in double counting and threaten the overall integrity of the programs.

4. Allowing participation in Federal and State Programs

We concur with the proposed regulation that requires the retirement of all environmental attributes under any other state-based program, *except* the federal Renewable Fuel Standard. The federal RFS is a distinct program unrelated to California Renewable Portfolio objectives. Moreover, disallowing participation in the federal program would create an unlevel playing field, since current law allows other participants, including RNG producers, with the ability to claim both an LCFS credit and a RIN. That is sound policy and should be extended to renewable electricity.

We appreciate the opportunity to outline our views of the proposed regulation, and welcome any questions or concerns raised by these comments.

Sincerely,
California Biomass Energy Alliance



Julie Malinowski Ball, Executive Director

JMB/kmg