January 17, 20017

The Honorable Mary Nichols, Chair
California Air Resources Board
1001 I Street
Sacramento, CA 95814

Re: Comments on the Revised SLCP Strategy (November 2016 Draft)

Dear Chair Nichols:

The Bioenergy Association of California (BAC) submits these comments on the Revised Strategy to Reduce Short Lived Climate Pollutants, released in November 2016 (the "November Draft Strategy"). BAC supports many of the goals and strategies in the November Draft Strategy, but urges the Air Board to make several critical changes and additions in the final Strategy:

1. Restore sections on black carbon from wildfire – the single largest source of SLCP emissions in California - that were included in earlier drafts.
2. Identify the funding needs for each sector and align state incentives to meet the goals of SB 1383 and SB 605.
3. Identify important research needs across all sources of SLCPs, as required by SB 605.

The Bioenergy Association of California represents more than 60 public agencies, local governments, private companies and nonprofits that are working to sustainably convert organic waste to energy. BAC's public sector members include local air districts, wastewater and solid waste agencies, environmental protection agencies and nonprofits, and local economic development agencies. BAC's private sector members include energy, waste, agriculture, technology, investment and other companies.

BAC offers the following comments on the November Draft Strategy.

1. **Need to Restore Sections on Black Carbon from Wildfire.**

BAC urges the Air Board to restore sections from the April Draft Strategy that addressed black carbon emissions from wildfire in order to meet the

requirements of SB 605 and to truly address SLCP emissions in the state. As the April Draft Strategy stated, "efforts to reduce black carbon from wildfires are critical to California's efforts to cut SLCP emissions."[1]

A. The November Draft Strategy Fails to Meet the Requirements of SB 605.

SB 605 requires the Air Board to develop a comprehensive strategy that does all of the following:

- Completes an inventory of sources and emissions of SLCPs;
- Identifies research needs and gaps;
- Identifies existing and potential new control measures;
- Priorities measures that provide cobenefits, including improved air and water quality;
- Coordinates with other state agencies on the comprehensive strategy.[2]

Both the April and November Draft Strategies make clear that black carbon from wildfire is the single largest source of SLCP emissions, causing two-thirds of all black carbon emissions in California.[3] While some amount of wildfire is natural in California, the growing number and size of catastrophic wildfires is not natural and threatens California's forest carbon sink. Increasing black carbon from wildfire also threatens to offset SLCP reductions made in other sectors.

An SLCP strategy for California cannot be comprehensive without including black carbon from wildfire. In addition, failing to include black carbon in the November Draft Strategy means that there is no identification of important research needs related to wildfire emissions, prioritization of control measures to provide specified cobenefits, or coordination with other state agencies on measures to reduce wildfire emissions. Omitting these important items clearly violates the over-arching requirement of SB 605 to provide a comprehensive strategy to reduce SLCPs and the specific elements called for in Health and Safety Code section 39730(a).

B. SB 1383 Adds to - Rather than Replaces - the Requirements of SB 605.

BAC supports the comments of Placer County Air Pollution Control District, which make clear that in the development and passage of SB 1383, the Legislature did not intend to remove the requirements of SB 605 to provide a comprehensive strategy that includes all significant sources of SLCP's.

SB 1383 (Lara, 2016) adds new sections to the Health and Safety Code, but does not delete or amend the requirements of section 39730(a) to adopt a comprehensive strategy to reduce SLCPs. Nowhere does SB 1383 state that the

[1] *Proposed Short Lived Climate Pollutant Reduction* Strategy, released by the California Air Resources Board in April 2016, ("April Draft Strategy") at page 49.
[2] Senate Bill 605 (Lara, 2014), codified in Health and Safety Code Section 39730 (a).
[3] *Revised Proposed Strategy to Reduce Short-Lived Climate* Pollutants, released November 2016 by the California Air Resources Board ("November Draft Strategy") at page 7.

statewide, comprehensive strategy to reduce SLCPs should be limited to the specific sources mentioned in new sections 39370.5 and 39370.6, which are focused on setting specific targets and measures for the solid waste and dairy sectors.

While SB 1383 does not establish numeric targets for black carbon from wildfire, nothing in SB 1383 alters the requirement of SB 605 to develop a comprehensive inventory of SLCP sources and a statewide strategy to reduce those emissions. Nor does SB 1383 change the requirements of SB 605 to identify important research gaps and coordinate efforts between agencies and other climate programs.

The November Strategy Draft confuses the requirement of SB 1383 to set targets for specific SLCP sources with the requirement of SB 605 to develop a comprehensive inventory, strategy to reduce emissions and research plan for all significant sources of SLCPs. The November Draft Strategy states that "since the legislative direction and intent of SB 1383 is to include only non-forest sources of black carbon in the target, a target for forest-derived black carbon emission reductions is not included in this SLCP Strategy."[4] (emphasis added). The problem is that the November Draft Strategy does not just omit a target for black carbon from wildfire, it omits it in the inventory, the discussion of reduction strategies, any identification of research needs, prioritization of measures with cobenefits, etc. Omitting forest carbon almost entirely is not called for in SB 1383 and contradicts the requirements of SB 605.

C. Failing to Include Wildfire Emissions Will Prevent Much-Needed Coordination, Funding and Research.

Failure to include wildfire emissions in the SLCP Strategy means that those emissions will not be properly included in the 2030 Scoping Plan Update or in funding decisions going forward. As the November Draft Strategy notes,

> "The measures identified in this SLCP Strategy and their expected emission reductions will feed into the update to the Climate Change Scoping Plan that is currently being developed. The 2030 Target Scoping Plan Update will establish a broad framework for meeting all of California's climate-related targets and will include an evaluation of all proposed GHG reducing activities, for both short-lived and longer-lived pollutants. Throughout this SLCP Strategy, there is an emphasis on early actions, often supported by public investments and strong policy incentives."[5]

In other words, omitting wildfire emissions from the SLCP Strategy will mean that this significant and growing climate pollutant will be given little or no place in the 2030 Scoping Plan or in investment and policy incentive decisions, further compounding the impact of the omission from the SLCP Strategy.

[4] November Draft Strategy at page 7.
[5] November Draft Strategy at page 24.

Failure to include wildfire related black carbon emissions would also make coordination across climate related programs much harder and reduce the likelihood of research and investment dollars going to reduce wildfire emissions. The November Draft Strategy recognizes that in "the coming years, many billions of dollars in public and private investments are anticipated to support efforts to reduce SLCP and CO2 emissions."[6] Public agencies and private investors will look to the final Strategy to prioritize investments in projects and in research, which will hurt the forest sector if wildfire related emissions are not included in the final strategy.

Omitting wildfire emissions will also make inter-agency coordination on the reduction of those emissions less likely. As the November Draft Strategy notes, "state agencies and the air districts are committed to continuing to work together to ensure that the concepts outlined in this SLCP Strategy are implemented in a coordinated and synergistic way."[7] (emphasis added) If strategies to reduce wildfire related black carbon emissions are not included in the final strategy, then it will not provide the framework needed to guide state agencies and air districts in a coordinated and synergistic way.

Omitting wildfire emissions will also reduce the opportunity for significant cobenefits in rural and disadvantaged communities in the Sierras and other rural parts of the state. As the April Draft Strategy noted, "many of the benefits of cutting SLCP emissions in California will accrue in the most disadvantaged parts of the State, where pollution levels and their health impacts are often highest, and where further economic development may be most needed. For example . . . Improving management and health of forests and rural landscapes to sustainably sequester carbon and mitigate black carbon emissions from wildfires can help bring investment, economic, and climate resiliency benefits throughout the Sierra, the North Coast, and other rural parts of California."[8]

D. ARB Should Restore the Forest Carbon Sections from the April Draft Strategy.

The Air Board can address most of the requirements of SB 605 simply by restoring the sections on forest carbon from the April Draft Strategy. In particular, BAC urges the Air Board to include the strategies described in section IV-B of the April Draft Strategy, on "Forest-Related Sources of Black Carbon Emissions," in the final Proposed Strategy to Reduce SLCPs. That section provided an excellent discussion of the science of wildfire emissions, its increasing threat, and strategies to reduce those emissions. While the section does not include specific targets, it does meet the requirements of SB 605 to provide a comprehensive strategy and to identify measures that provide cobenefits for air and water quality.

[6] November Draft Strategy at page 4.
[7] November Draft Strategy at page 5.
[8] April Draft Strategy at page 17.

2. **The Final Strategy Should Identify the Resources Needed – and State Incentives Should be Aligned - to Achieve the SLCP Targets.**

The goals of SB 1383 and the strategies identified in the November Draft Strategy are ambitious. Achieving them will take billions of dollars of infrastructure investment combined with robust and long-term markets for the alternative products, such as bioenergy and compost. While the November Draft Strategy suggests that financial incentives must be aligned with SLCP reduction goals, neither the Strategy nor other state spending plans do that. To truly provide an effective roadmap for SLCP reduction – and to have any chance of achieving the targets in SB 1383 and goals of SB 605 – a comprehensive strategy must identify the magnitude of funding required and a much more detailed plan for securing that funding. The November Draft Strategy mentions a few options, but falls far short of a serious strategy for funding the required or suggested measures.

BAC urges the Air Board to include much more detailed financial analysis, including identifying at least the following factors:

- The number of new facilities and infrastructure needed in each sector;
- Additional start-up and long term costs, such as transportation, labor, tax, regulatory and other costs;
- Current and potential funding sources, including potential revenue from coproducts, such as biochar or biosolids from bioenergy production;
- Cost and revenue uncertainties and how to address them;
- How to increase long-term market certainty for bioenergy, organic soil amendments, etc.
- Need to remove regulatory barriers and increase incentives;
- Need for stakeholder education, training and technical assistance.

The failure to clearly identify the amount of funding needed and potential sources has, to date at least, resulted in a serious misalignment of state funding programs. Neither Greenhouse Gas Reduction Funds (GGRF, or “Cap & Trade” funding) nor other clean energy and transportation funds have prioritized SLCP reduction. Quite the opposite. The Governor’s latest proposed budget includes less than 5% of the total GGRF funds for SLCP reduction, even though SLCP reductions are the most urgent reductions (as every draft Strategy has pointed out, reducing SLCPs is one of the only ways to immediately begin to slow climate change and reverse its effects) and SLCPs cause 40 percent of all climate emissions.

If the state wants to achieve its SLCP targets, then it must realign GGRF, AB 118 (Alternative and Renewable Fuel and Vehicle Technology Program), EPIC (Electricity Program Investment Charge, Natural Gas PIER program, and other state incentives to prioritize SLCP reductions. Allocating 5-10 percent of these programs to SLCP reductions is wholly insufficient to achieve the targets in SB 1383 and SB 605.

3. The Final Strategy Should Identify Important Research Needs and Data Gaps Across All SLCP Sources.

BAC urges the Air Board to include a chapter in the Final SLCP Strategy that identifies important research needs and data gaps, as required by SB 605. Simply stating that the Climate Action Team has a list of SLCP related research needs[9] does not meet the requirement of SB 605 and does not allow adequate public input into the development of important research issues related to SLCPs. The Air Board has done an outstanding job presenting climate science and the science of SLCPs. This scientific underpinning is critical to ensure the success of the state's strategy. That includes continuing to advance the science through targeted research to address important data gaps. Some of the most critical data gaps related to SLCPs include:

- The lifecycle SLCP and GHG reductions from different waste diversion strategies, ie, the SLCP and GHG reductions from composting compared to bioenergy and between different types of bioenergy production and end uses.
- The lifecycle SLCP and GHG emissions from wildfire
- The lifecycle SLCP and GHG emissions/reductions from various strategies to reduce black carbon, ie pile and burn, bioenergy of different types and end uses, biomass removal and transport for woodchips, cement and other products.

With the addition of the issues described above, the final SLCP Strategy will truly be the comprehensive strategy required by SB 605 and needed for the state to successfully meet its climate, air quality and other goals.

Sincerely,

Julia A. Levin
Executive Director

[9] November Draft Strategy at pages 24-25.