



March 5, 2017

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

Re: Comments on the 2017 Climate Change Scoping Plan Update

Dear Chair Nichols:

I am submitting these comments on behalf of the Bioenergy Association of California (BAC), which represents more than 60 public agencies, private companies, local governments, environmental groups and others working to convert organic waste to energy. BAC members strongly support the state's climate goals and are helping to implement many of the clean energy, waste reduction and carbon sequestration strategies in the Update. BAC supports the Proposed Scoping Plan Scenario, but suggests a number of additions to ensure that it will meet the 2030 climate goals and other statutory requirements.

1. The Proposed Scoping Plan Scenario is Most Likely to Achieve the 2030 Target and Maximize Other Benefits.

BAC strongly supports the Proposed Scoping Plan Scenario as the scenario most likely to meet the requirements of SB 32. In particular, BAC supports the following elements of the Proposed Scenario, with recommended changes:

- (a) Increasing the LCFS to 18 percent. Continuing to expand the LCFS is critical to attract continued investment in the production of low carbon fuels and to achieve both the climate and air pollution reductions that low carbon fuels can provide.

Recommendation: BAC recommends revising the LCFS program rules to require long term contracts for LCFS credits, which is necessary to finance new production facilities in-state. The absence of long term contracts makes it hard for in-state facilities to compete and is a significant barrier to

the use of biogas for transportation fuel rather than electricity production, where long term contracts are available.

- (b) 50 Percent RPS. BAC supports a 50 percent RPS, but moving beyond 33 percent will require a more diverse portfolio and should move toward broader environmental metrics.

Recommendation: BAC recommends revising the RPS program rules to incentivize the RPS eligible power that reduces Short-Lived Climate Pollutants and to account for other environmental benefits, such as reduced landfilling, reduced wildfire, etc. For example, the draft Forest Carbon Action Plan states that forest biomass may provide an additional 10 cents per kilowatt hour in environmental benefits and services.¹ That value, like landfill diversion and reduction in SLCP emissions, should be incorporated into the RPS to maximize climate and other benefits.

- (c) SLCP Reduction. BAC supports incorporating the SLCP Strategy into the 2030 Scoping Plan as SLCP reductions are some of the most urgent – since they can begin to affect the climate change trajectory and provide public health benefits immediately – and also equal some of the most cost-effective strategies and investments.²

Recommendation: BAC urges ARB and other agencies to incorporate SLCP reductions more fully into all other climate related programs and incentives. The SLCP strategy makes clear that SLCP reductions are the most urgent reductions, yet that is not reflected in the 2030 Scoping Plan, the Governor's Proposed budget for Greenhouse Gas Reduction Plans, the RPS or other climate related programs.

- (d) Carbon sequestration in natural and working lands. BAC supports the increased emphasis on natural and working lands as they provide critical carbon sinks.

Recommendation: BAC urges ARB and other agencies to incorporate forest carbon goals back into the SLCP strategy and the 2030 Scoping Plan Update, rather than developing a separate Forest Carbon Plan that is on a slower schedule and will not result in equal consideration for GGRF funding and other programs.

- (e) Sustainable Freight. BAC strongly supports the Sustainable Freight goals, particularly the call to increase the use of renewable fuels with near zero Heavy Duty Vehicles, which can provide the greatest GHG reductions in

¹ *California Forest Carbon Plan*, at page 106. Available at: http://fire.ca.gov/fcat/downloads/California%20Forest%20Carbon%20Plan%20Draft%20for%20Public%20Review_Jan17.pdf.

² Legislative Analyst Office, “*Administration’s Cap-and-Trade Report Provides New Information, Raises Issues for Consideration*,” presented to Assembly Budget Subcommittee 3, April 2016, at page 3.

any vehicle class and are the only means to immediately cut NOx from the heaviest duty trucks, which contribute a disproportionate share of both GHG and NOx emissions.

Recommendation: BAC urges ARB to place equal or greater emphasis on ultra-low NOx trucks that run on renewable biogas, rather than put the greatest emphasis on so-called “zero emission” trucks. ZEV’s do not exist for Class 7 and 8 trucks, and even in smaller weight classes are not truly zero emission on a lifecycle basis. They also provide far smaller GHG benefits than carbon negative biogas can provide.

2. The Scoping Plan Needs to Be Better Integrated with the State’s Other Climate Plans and Greenhouse Gas Reduction Funds.

BAC urges ARB to better integrate the state’s various climate plans and to align GGRF and other incentive programs much more explicitly with the goals and strategies in the Scoping Plan Update. At the February workshop on the Scoping Plan Update, ARB staff stated that the expenditure of GGRF funds is not related to the Scoping Plan Update and that the Update does not assume any reductions in GHG emissions from the use of GGRF funds.³ For legal and practical reasons, BAC urges the Administration to focus GGRF funds on the most urgent and cost-effective reductions and to allocate funding in proportion to the largest emitting sectors and vehicle classes. In other words, the state should allocate a much larger share of GGRF and other incentives to programs and projects that reduce SLCP emissions – the most urgent reductions – and should apportion specific funds like the Low Carbon Transportation Fund based on the most significant sources of SLCP and GHG emissions.

BAC also urges the state to better incorporate the SLCP, Sustainable Freight, proposed GGRF spending plan, Forest Carbon Plan and other plans into the 2030 Scoping Plan Update. While each of these other plans is referenced in the Update, they are not really reflected in it.

3. The Proposed Scenario Should Prioritize SLCP Reductions, which are the Most Urgent Reductions.

The Proposed SLCP Reduction Strategy makes clear that reducing SLCPs is one of the most urgent priorities since SLCP reduction is one of very few measures that can immediately begin to reduce climate change and benefit public health. Yet the Scoping Plan Update does not make that clear or incorporate that urgency. BAC urges the state to emphasize SLCP reduction much more in the Scoping Plan Update, including, at a minimum, in the following ways:

³ Response of Rajinder Sihota to questions at the February 9, 2017 workshop on the 2030 Scoping Plan Update.

- All of the state's climate change focused policies and incentive programs should differentiate between carbon dioxide reductions – which take many decades or even centuries to affect the climate – and SLCP reductions, which can immediately benefit the climate and public health. Expressing all reductions in CO₂ equivalence ignores the far greater urgency and benefits of reducing SLCPs.
- Prioritizing investments in SLCP reduction, overall and within each funding category. The proposed GGRF plan for 2017-18 allocates less than 5% of the \$2.2 billion total to SLCP reduction. Within specific categories such as Low Carbon Transportation or waste diversion, there is no priority given to projects that reduce SLCP emissions.
- Provide specific, additional incentives and preferences for projects that provide SLCP reductions in the RPS and other clean energy programs. The RPS does not differentiate different renewable power sources based on GHG or SLCP reductions, so there is no added incentive for utilities to procure power from projects that reduce SLCP emissions. SLCP reduction should be specifically incentivized in regulatory programs and clean energy funding programs such as the Electricity Program Investment Charge and the Alternative and Renewable Fuels (AB 118) program.
- Strategies to reduce black carbon from wildfire – one of the largest sources of SLCP emissions – back into the SLCP Reduction Strategy and the 2030 Scoping Plan Update.

4. Proposed Scenario Needs Additional Transparency and Metrics.

BAC urges ARB to provide much greater transparency and metrics in the Scoping Plan Update. Tables like II-1, which provide highlights of each measure, are very helpful, but additional tables that clearly express the cost-effectiveness, type of emissions reduction (GHG versus SLCP or both), benefit to disadvantaged communities, and other factors would be extremely helpful. As written, it does not provide a clear sense of priorities, timeliness, costs, funding needs, or benefits. In particular, BAC recommends that for each sector generally and each specific measure, the Scoping Plan Update clearly present the following:

- Whether the measure reduces GHG emissions, SLCP emissions, or both (as noted above, expressing all reductions in CO₂ equivalence ignores the greater urgency of reducing SLCP emissions);
- Whether the emission reductions are climate emissions, criteria pollutants or both (focusing programs or funding on ZEVs, for example, blurs the line between climate reductions and NO_x reductions and fails to prioritize the most important climate measures);
- Whether emissions reductions are based on a life-cycle analysis (such as the LCFS program) or based only on downstream emissions (such as tailpipe emissions from ZEV's and displacement of natural gas under the RPS)

- Whether the measure provides direct benefits to disadvantaged communities, how much and what type of pollution reduction;
- The cost-effectiveness of each measure.

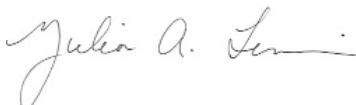
5. The Proposed Scenario Does Not Adequately Address Carbon Sequestration in Natural and Working Lands.

The Scoping Plan Update says that it “comprehensively addresses” natural and working lands, but it does not. In fact, the state’s plans to restore carbon in natural and working lands are falling farther and farther behind the other climate pillars. Most disturbingly, the Proposed Strategy to Reduce SLCPs no longer includes forest sector emissions. Carbon sequestration in California’s forests is a significant part of its overall climate strategy. It is critical to identify “early action” no regrets measures that can begin to stabilize forest carbon sinks. It is equally important to identify the data gaps that make more specific targets – even the state’s ability to set a baseline for forest carbon – impossible at this point.

BAC urges the state to focus the Forest Carbon Plan on carbon and to address broader forest management and sustainability issues in other documents and plans. While the issues are clearly linked, the Forest Carbon Plan cannot answer all forest resilience questions in one plan. At present, the state lacks any real plan or even a roadmap to develop a plan to stabilize carbon sequestration in the state’s forests. This is a critical gap in the state’s climate plans that must be addressed. BAC will provide more specific recommendations in its comments on the Forest Carbon Plan itself, but for purposes of the Scoping Plan Update, it is important not to overstate how comprehensive or even adequate or focused the Forest Carbon Plan is. And in no way can the Update itself say that it comprehensively addresses natural and working lands.

While BAC supports the Preferred Scenario, we also urge the state to add far greater transparency and metrics to the Scoping Plan Update and, in particular, to significantly increase the emphasis on SLCP reductions from all sectors including the forest sector.

Sincerely,



Julia A. Levin
Executive Director