



August 27, 2024

California Air Resources Board
Liane Randolph, Chair
Steve Cliff, Executive Officer
1001 I Street
Sacramento, CA 95814

RE: Comments Relating to Proposed 15-Day Changes to the Low Carbon Fuel Standard

Dear Chair Randolph and Executive Officer Cliff,

We write to you today with concerns regarding the proposed 15-day changes to the Low Carbon Fuel Standard. Humboldt and Mendocino Redwood Companies collectively own 440,000 acres of sustainably managed forestlands that are third-party certified as being well managed forests. We also own a sawmill in Ukiah, CA and a sawmill and biomass facility in Scotia, CA. The biomass facility uses the by-products from the sawmilling process to create renewable, baseload power for our sawmill complex with excess energy sold to a community choice aggregator in Humboldt County.

A significant portion of the management of our forests involves the reduction of excess fuels to create fire resilient forests. The acres treated by this work aid the state in achieving the million-acre goal of fuel reduction annually. Yet, it appears that we will be excluded from eligibility for a reduced CI as we will likely be considered as an industrial forestland owner (see 95488.8(g)(1)(A)(3)). If the larger landowners are excluded then that leaves eligible non-industrial forest owners the ability to participate except for the requirement in the 15-day language requiring biomass to be sourced from certified forestlands. Very few smaller forestland owners are third-party certified in California. Therefore, the proposed language disincentivizes biomass material removed from forests across a vast majority of forest ownerships. Obviously with the loss of hundreds of thousands of forested acres to wildfires annually (some years even more) this proposed language is ill-advised.

As we do not own a biomass facility at our sawmill in Ukiah, we are investigating the potential for a \$400 million biomass-to-hydrogen/5MW biomass facility at this location. We have received two grants from Cal Fire to explore this venture. To date, we have completed a techno-economic feasibility study. We are now 50% complete with initial project engineering (FEL2). Upon completion of the engineering package, we will have invested well over \$1,000,000 toward project development. The proposed language threatens the feasibility of this project due to the lack of or reduced eligibility of biomass feedstock from our timberlands and sawmills.

In closing, the biomass portion of the LCFS rulemaking package should be removed so a conversation can begin with forestry professionals and those state agencies and associations with expertise in this area. We look forward to working with CARB to address these issues.

Sincerely,

A handwritten signature in black ink, appearing to read "John Andersen". The signature is fluid and cursive, with a large initial "J" and "A".

John Andersen
Director, Forest Policy