



SIERRA PACIFIC INDUSTRIES

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Clerk's Office
California Air Resources Board
1001 I Street
Sacramento, CA 95814

Submitted via electronic mail to: <https://ww2.arb.ca.gov/lispub/comm/bclist.php>

RE: Public Comment on Proposed Amendments to the Low Carbon Fuel Standards – 15 Day Public Notice

Executive Officer Cliff,

Sierra Pacific Industries (SPI) respectfully submits this comment letter in response to the 15-day public notice for the proposed amendments to the Low Carbon Fuel Standards (LCFS). We also support the comments submitted by the California Forestry Association (Calforests), et al.

We appreciate the opportunity to offer our perspective on these amendments, particularly as they pertain to the treatment of forest biomass as a feedstock for low carbon fuels as provided in Title 17, CCR Sections 95488.8 and 95488.9, respectively.

SPI is a third-generation family-owned forest products company, headquartered in Anderson, California. While we have operations across the United States, California represents the majority of our operations, including over 3600 employees, 1.9 million acres of sustainably managed timberland, 10 sawmills, several secondary manufacturing plants (i.e. millwork, chips and bark), five biomass energy co-generation facilities, and windows & doors manufacturing operations.

SPI is committed to sustainable, long-term stewardship of our lands and partners with state and federal agencies to address a variety of environmental values. Sierra Pacific has several ARB-compliance grade offset projects, all of which are on our California timberlands. We operate under several federal and state wildlife conservation agreements for the safeguarding of habitat for listed and at-risk species, including California spotted owls, northern spotted owls, Pacific fisher and salmon. We are committed to reduce the risk of catastrophic wildfire, including operating under an MOU with the U.S. Forest Service, CAL FIRE, National Fish and Wildlife Foundation, neighboring property owners and several other signatories for a jointly planned and implemented fuel break network in California to provide for wildfire risk reduction and habitat protection.

A theme woven through these local, state and federally recognized agreements is SPI's commitment to maintain healthy forests. Importantly, these commitments are a reflection of the foundational principle that sustainably managed forests provide the greatest number of economic and environmental benefits – for products, for communities and for ecosystems.

This foundational principle is also reflected in the [Intergovernmental Panel Climate Change report](#) that finds “in the long-term, a sustainable forest management strategy aimed at maintaining or increasing forest carbon stocks, while producing an annual sustained yield of timber, fibre or energy from the forest, will generate the largest sustained mitigation benefit” to the atmosphere. Further, the IPCC stated that “Mitigation options by the forestry sector include extending carbon retention in harvested wood products, product substitution, and producing biomass

for bio-energy. This carbon is removed from the atmosphere and is available to sustainably meet society's needs for timber, fiber, and energy."

With that background, SPI provides the following comments and recommendations.

Need For Definitional Distinctions between Agricultural Crop Feedstocks and Forest-Derived Feedstocks.

While agricultural crops and forest-derived feedstocks have some commonality, there are significant differences in how they are grown, their existing markets, and land ownership structures and strategies. Most agricultural crops, such as rice and corn, reflect an annual cycle of planting, harvesting, tilling and planting again. Forest-derived feedstocks have a much longer cycle – varying between 50-80 years in California, though there may be periodic (i.e. every 20-40 years) treatments where smaller diameter trees are thinned out and other brush removed. Additionally, a harvested tree has several components – many that have current markets (i.e. logs for lumber and plywood) and others that have little to no markets in California (i.e., treetops and branches).

In many places throughout the proposed amendments, there are definitions that fit well for agricultural crops, but not for forest-derived feedstocks. Specifically, the definition in 95488.9(g) excludes forest-derived biomass as it requires biomass to, among other things, come from land that has been "...non-forested since January 1, 2008." As a result, except for that biomass definition in section 95488.8(g)(1)(A), all forest-derived feedstocks are excluded. We recommend a definition in this section that provides a pathway for forest-derived feedstocks to qualify, such as:

Agricultural-derived biomass used in fuel pathways must only be sourced on land that was cleared or cultivated prior to January 1, 2008, and actively managed or fallow, and non-forested since January 1, 2008. Forest-derived biomass used in fuel pathways must only be sourced on forestlands established before January 1, 2008. Biomass may not be sourced from land that is covered under international or national law or by the relevant competent authority for nature protection purposes.

Exclusion of Timberlands from Wildfire Risk Reduction Efforts

While the Initial Statement of Reasons suggests that these standards are intended to reduce wildfire risk, the definition in section 95488.8(g)(1)(A) excludes large portions of timberlands where innovative solutions are being implemented to reduced risk to catastrophic wildfire. For example, Sierra Pacific is establishing a network of 3300 miles of fuel breaks across our lands. Much of these fuel breaks are tied to projects on neighboring lands in a complete and coordinated network that crosses ownership types. This fuel break network will require ongoing maintenance which will produce materials that are appropriate feedstock for low carbon fuel production. However, the current definition would preclude this material from qualifying as SPI's lands are not likely to be considered "non-industrial forestlands." The inclusiveness of all land ownership types in these standards will aid in the creation and success of these fuel break networks by making more projects viable for implementation and continual maintenance.

We recommend a more inclusive definition to "forest biomass waste" to be used for within Title 17, CCR 95488.8(g)(1)(A)3.

"Forest Biomass Waste" means residues that are 1) removed for wildfire mitigation, forest restoration projects, or the protection of public safety, or 2) small-diameter, non-merchantable residues, limited to forest understory vegetation, ladder fuels, limbs, branches, and logs that do not meet regional minimum marketable standards for processing into wood products."

Sustainable Management and Regulatory Oversight

The timberlands in question are managed sustainably under strict regulatory requirements. Excluding these lands from the scope of the LCFS amendments overlooks their potential contribution to low carbon fuel production while maintaining environmental sustainability. California provides the highest standards for environmental protection in the United States and globally under the state's Forest Practice Rules when harvesting of trees occurs within the state. These rules ensure sustainability and protection of all resources for the good of the state. The LCFS must promote the utilization of these resources where environmental protection is paramount rather than sourced from areas with lower standards of protection.

Confusion Regarding Third-Party Certification Requirements

The Initial Statement of Reasons, along with the proposed amendments provided in the 15-Day rule text lack clarity on whether woody feedstocks must originate from lands that are third-party certified. Conflicting language within the rulemaking documents raises concerns about whether non-industrial landowners, who are less likely to hold third-party certifications, would be excluded from participating in the program. If this is the case, constriction on availability of feedstocks and reduced participation from non-industrial landowners would be a certainty given that very few non-industrial timberland owners hold and maintain third -party forest sustainability certifications, like the Sustainable Forestry Initiative, Forest Stewardship Council and others recognized through the Programme for the Endorsement of Forest Certification.

We appreciate the consideration of these comments. We look forward to working with the California Air Resources Board on developing an LCFS program that will assist in ameliorating wildfire and forest health issues within California.

Sincerely,



Robert Hoover

Vice President, Resources
Sierra Pacific Industries