



Shasta County

BOARD OF SUPERVISORS

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Chair Liane Randolph
California Air Resources Board
1001 I Street
Sacramento, CA 95814

**Re: Proposed Amendments to the Low Carbon Fuel Standard (LCFS) Regulation -
OPPOSE**

Dear Chair Randolph:

On behalf of District 5 of the County of Shasta, I write to express my opposition to the proposed amendments to the LCFS Regulation, which would severely impact many constituents and projects within my district.

On page 152 of Appendix A-1, the proposed definition of qualified forest biomass reads:

"3. Forest biomass waste from non-industrial forestland removed for the purpose of wildfire fuel reduction, to reduce the risk of public safety or infrastructure, to create defensible space, or for forest restoration; and from a treatment in which no-clear cutting occurred and that was performed in compliance with all local, State, and federal rules and permits."

Restricting qualified forest biomass feedstock to "non-industrial forestlands" will significantly restrict the amount of material available for cellulosic biofuels projects.

There are numerous interrelated reasons that this definition will hinder biofuel project development:

- Industrial forestland owners are the only large landowners in the State that can offer reliable long-term forest biomass supply agreements that are acceptable to the capital sources that fund biofuel projects. Such large landowners (who of course meet all California Forest Practice Act requirements) can commit to landscape-scale projects over 5 to 10 years, which can generate hundreds of thousands of tons of biomass needed annually and thus provide necessary assurance to lenders and investors.
- Larger landowners must be allowed to offer qualified biomass to projects because, at present, there are no organizations or entities that can reliably aggregate supply from smaller nonindustrial landowners, much less be depended upon for long-term contracts. The State's efforts to promote long-term biomass supply agreements, such as the Office of Planning and Research funded CalFRAME effort, are, at best, nascent. It is not clear if CalFRAME or any other effort, will result in the development of scalable supply chains

that can support an at-scale biomass utilization industry sourced from smaller landowners. In any event, it will be at least a number of years before such efforts can viably offer long-term contracts and will possibly need to engage with larger industrial forestland owners to create long-term agreements.

- Presently, federal rules restrict utilizing forest biomass sourced from federal lands and, as a result, some companies are restricted to utilizing material from private landowners only. Thus, any restriction on the use of forest biomass from private lands has an outsized negative impact on the company's ability to successfully establish a long-term feedstock acquisition program that would be financially acceptable to creditors and investors.
- According to the California's Legislative Analyst Office, 39 percent of California forests are privately owned, with 35 percent of that portion (or 14 percent of total forestlands) considered industrial forestlands.¹ Thus, if this requirement is adopted, over one third of private forestlands will be eliminated from potential wood supply and result in biomass from 75 percent of all California forests being unviable for biofuels production. In the Shasta County area, that the situation is even more dire as that industrial forestland ownership amounts to nearly half of forests in the region. This dramatically restricts the amount of available qualified material in the area.

There is still significant logging and forest management infrastructure in place in Shasta County. This proposed rule, eliminating forest biomass generated from industrial forestland, would make it exceedingly difficult to build a facility in the one part of the state that has the necessary industrial infrastructure in place to make a plant successful.

I urge you to consider allowing landowners to participate in the LCFS program as they are key partners in any successful long-term solution that scales up forest management successfully in California. Excluding them from the program will ultimately result in higher fuel loads on those lands, thus a heightened fire risk and ultimately higher emissions if/when there is a wildfire.

In addition, the phrase "forest stand improvements" should not be eliminated from the language as thinning programs are exceedingly important treatments that enhance forest health as well as reduce fire risk. Also, restricting biomass generated from "clear cuts" should be considered eligible if extracted in compliance with the California Forest Practice Act.

I implore you as the Chair and your fellow Board members to seriously consider the potential negative affects these proposed amendments will have on biofuels projects in Shasta County.

Sincerely,



Christopher Kelstrom
District 5 Supervisor
County of Shasta