



December 16, 2016

California Air Resources Board  
1001 I Street  
Sacramento, CA 95814

**Re: Comments Re Discussion Draft 2030 Target Scoping Plan Update (12/02/2016)**

Dear CARB:

The California Biomass Energy Alliance (CBEA) is a trade association of the state's biomass power producers that are using excess woody biomass from the forestry, agricultural and urban sectors. There are 35 plants around the state in 19 counties. Thirteen (13) of these are currently idle but can be operational within 90 days to six months. Collectively the industry consumes 7.3 million tons of excess wood material annually that would otherwise end up in the landfill, left to degrade in the forest or be open burned and has the capacity with its idle facilities to contribute more. For over 20 years, California's fleet of biomass plants have been playing an important and integral role in the organics management of the regions in which they are located. With modernized power contracts with utilities and other load serving entities conducted in compliance with the Renewable Portfolio Standard (RPS) biomass can be expected to continue to serve this function for years to come.

CBEA supports several activities outlined in this Discussion Draft and would like to share a few concerns needing clarification.

#### Preference for Draft 2030 Target Scoping Plan Scenario

The current model of complementary policies within cap-and-trade program is working well, balancing both the need for traditional regulation and the economic benefits of market-based regulation. Of the concepts presented, CBEA believes the Draft 2030 Target Scoping Plan Scenario, with a continued and reliable commitment to public investment in incentive programs, is preferable relative to the two other alternatives presented in the Discussion Draft.

#### Low Carbon Energy

There is no question there are many pieces in place to meet our GHG emissions reduction goals in the low carbon energy sector. In particular, the development of the Integrated Resource Plan (IRP), in coordination with the CPUC, CEC and ARB, will be a key planning tool in meeting this goal. For this sector, we urge ARB to play not just a technical, data sharing role but an advocacy one as well. The reason is simple. The viability of a biomass facility is inextricably linked to its power contract. If bioenergy is being counted on for reductions in other sectors - the Natural and Working Lands, Low Carbon Energy or Waste Management sectors -- the ARB needs to be at the table promoting these added values and co-benefits to ensure future renewable procurement fairly includes a vast portfolio

of bioenergy technologies. There are several ways to accomplish this which the ARB should coordinate and discuss with other state, industry and local government stakeholders in 2017 as the IRP process develops. Absent that level of involvement, we are afraid biomass resources will only continue to be stagnant with little development, which will have a negative impact on the emissions goals in other sectors.

*The Discussion Draft should be amended to: 1) acknowledge this important link between bioenergy resources and CPUC-approved power contracts; 2) emphasize that ARB's involvement in the IRP and other RPS-related proceedings will support the consideration of cross sector implications, and; 3) reflect the need for ARB to investigate and consider what aspects of the IRP best reflects this cross-sector consideration.*

#### Waste Management

CBEA applauds the recognition that there needs to be a focused discussion on sustainable options for woody debris from all sectors. We have consistently noted that the biomass industry cannot do it alone and all options should be considered, analyzed and develop an action plan to ensure its success. For example, CBEA members utilize excess wood material as fuel that is not appropriate for composting, and composting facilities take green material that doesn't fit well in a biomass boiler. Looking at the totality of options is highly valuable.

CBEA also supports the regional-specific solution to achieve these goals. Some regions are already rich with options while others will be starting from further behind. More important, though, each region has its unique needs. For example, the San Joaquin Valley may have the most impacts with not only excess material coming out of the fields but parts of the region are heavily forested and within a reasonable distance from large urban areas from which landfill diverted material will come. A short-term solution to consider is including regional pilot projects that seek to bring biomass generators together with local governments, air districts and other infrastructure operators to cost share a regional specific effort.

*CBEA recommends no changes to this section at this time.*

#### Natural and Working Lands

CBEA supports the need to innovate resolution of biomass disposal needs such that excess agricultural and forest biomass can be used for renewable energy and fuels, wood product manufacturing, agricultural markets, and soil health. That fact that the diversion of this material is resulting in avoided GHG emissions relative to traditional disposal pathways in all sectors – forest, ag and urban - cannot be understated. We support the recommended measures to support this objective with one clarification. The recommendations appropriately point to the need to accelerate the building-out of the capacity mandated in SB 1122 (*Chapter 612, Statutes of 2012*) and SB 859 (*Chapter 368, Statutes of 2016*), but it must be done in the context of all material sources to avoid any unintended consequences that could favor one excess source material over another. For example, facilities with SB 859 contracts are essentially dedicated to excess forest biomass from high hazard zones at the center of the tree mortality crisis. This was a timely and valuable solution, but now we need to go back and find outlets for the excess biomass that may get pushed aside such as from agriculture, landfills and non-HHZ

forests, which also need attention to address drought reliance, clean water and all forests' contribution to removing carbon dioxide from the atmosphere. This is another example of where the cross-sector analysis and coordination will be necessary.

Also, it is unnecessary to include the word "scale" when talking about bioenergy capacity. The average size plant in the State is only 23 MWs. These facilities are permitted with the region's fuel opportunities in mind and economically managing the transportation costs of the biomass material. Revenue from power purchase agreements with load serving entities are a natural driver to keeping facilities appropriately sized for a region and costs down. We do not realistically see that changing any time in the future. It may be helpful to better understand what you mean by scale and its purpose.

*CBEA recommends additional language recognizing the need for crosssector analysis and cooperation in the Innovate recommendations and reconsider how you are using the term "scale" when referring to biomass capacity.*

#### Environmental Justice

There were recommendations made by the Environmental Justice Advisory Group and communities related to bioenergy that concern the biomass industry. We believe opening a dialogue on these issues would be helpful and possibly lead to any gaps in analysis as to the benefits of the biomass industry and the role it can play today and in the future to reduce greenhouse gas emissions reductions.