



Submitted via Email
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March 17, 2017

To: Forest Carbon Action Team

RE: CBEA Comments: California Forest Carbon Plan

Thank you for the opportunity to comment on the California Forest Carbon Plan (“The Plan”). CBEA is a trade association representing California's existing biomass energy facilities that combust wood waste to produce electricity – material that would otherwise create adverse environmental impacts. There are 22 biomass electric generating plants in California, distributed across 17 counties. The biomass plants combined produce more than 565 megawatts of baseload renewable energy. That is enough to power more than 600,000 homes, and is a critical resource to balance our grid when blended with intermittent renewables, to ensure we have a reliable source of electricity throughout the state.

CBEA supports much of The Plan as it relates to the characterization of and justification for bioenergy as an important part of California’s forest carbon goals. The industry has decades of data to demonstrate the positive environmental impact it has on the regions in which facilities are located and the negative consequences when a facility unfortunately closes. The Plan makes clear that regionalized implementation of the Plan is best to “identify the areas that pose the greatest threat to forest health and offer the best opportunities to restore resilience. The following comments outline a few specific actions CBEA supports and recommends two important changes.

First, CBEA is concerned with the “short-term” qualifier in Proposed Actions D. 4, which suggests large-scale biomass facilities do not have a role to play in our forest carbon goals in the future outside the existing tree mortality crisis. This action item contradicts The Plan, which has made a strong case for biomass utilization including bioenergy in order to reduce GHG emissions, protect rural jobs and generate revenue through forest management and restoration activities. While The Plan accurately notes that much of the existing facilities are 25 years old, it fails to point out that many of those have made significant investments in plant efficiencies and operations. With future long-term contracts for its energy, additional similar investments are a standard course of business for facilities of this age, whereby securing this infrastructure for one to two more decades.

In just the last 10 years, existing biomass facilities have taken 5.5 million BDT of excess forest material that would have been opened burned or left to degrade in the forest. Biomass facilities have also taken 6.5 million BDT of sawmill residue that couldn’t be accommodated by the fleet of sawmill co-generation plants. It is short-sighted to think there are markets at the size and scale needed on the short-term horizon to fill this roll and at what cost.

Failing to support existing biomass facilities beyond the short-term is also inconsistent with the strong emphasis The Plan puts on the need for regional specific solutions. There are 17 counties in California with existing large scale bioenergy infrastructure. Those counties rely on that infrastructure for daily organics management strategies. One can assume many of those counties will also be counting on these facilities too in their long-term forest management planning activities and goals. The Plan should not be cutting regions with existing biomass off from solutions in the future.

CBEA therefore recommends the qualifier “short-term” should be deleted from Proposed Action D. 4 and, based on the myriad benefit to bioenergy already outlined in The Plan, instead, broaden D.4 to include encouraging long-term contracts so that existing facilities have an incentive to upgrade and modernize to support regional solutions.

Making this change to D.4. is also consistent with why CBEA supports Proposed Actions D.3 and D. 5. CBEA supports D. 3. to continue public investment to build out the 50 MW of small scale, wood-fired bioenergy facilities mandated through Senate Bill 1122 [*Chapter 612, Statutes of 2012*]. These community scale facilities serve an important niche in the forest products infrastructure. Additionally, large scale biomass infrastructure in the region of a BioMAT facility makes that facility more cost effective as it capitalizes on the existing fuel supply infrastructure. The bottom line is California’s forests need both large- and small-scale biomass infrastructure and each region will need to determine which if not both is best suited for its needs.

CBEA supports D. 5 to continue to support research into the potential to convert woody biomass into transportation fuels. Converting woody biomass into transportation fuels is a viable upgrade for existing biomass facilities to operate long into the future using a more advanced technology. Investment, however, is more likely to occur with a facility that is already operating. Operating facilities could integrate the conversion equipment much more cheaply than at a closed facility or greenfield site. Current projections show it would cost an estimated \$0.08 to \$0.10 cents more a BTU to build on a closed facility or greenfield site. The cost savings comes from capitalizing on the existing fuel supply infrastructure, experienced labor, gas lines and equipment already in place. With pilot projects already in operation, what is now needed is design and engineering to better understand the cost of conversion from electricity to transportation.

Next, as accurately noted in 9.3.1 there are challenges for bioenergy development. Those challenges include the cost and valuation of bioenergy compared to other renewables that do not have fuel costs nor additional environmental benefit beyond its renewableness. The Plan again accurately points out that the “value of the environmental services provided by biomass energy production is estimated to be in excess of ten cents per kilowatt hour. This challenge, however, is not unsolvable. CBEA recommends broadening the suggestions in 9.3.2 Legislative Support for Forest Biomass. As the ARB, CEC and CPUC collectively embark on the Integrated Resource Planning process as directed by SB 350 (De León, Chapter 547, Statutes of 2015), these inequities should be addressed and biomass procurement should be encouraged to be part of the utilities’ future renewable and greenhouse gas emissions strategies. Alternately, The Plan could recommend the Legislature provide direction to the utilities to ensure biomass is part of their

balanced portfolios. The recommendation needs to be specific since setting broad environmental and GHG goals has so far not translated into biomass procurement by the utilities.

Lastly, to avoid any misperception that trees are being cut down for biomass utilization other than for wood products, CBEA recommends specifically defining in-forest biomass as low value or excess forest waste that would otherwise be open-burned or left to degrade in the forest. The existing biomass industry has more than 20 years of experience and data to show in-forest material making its way to biomass facilities is strictly non-merchantable timber, tops, limbs and underbrush. This addition is highly valuable. If you need additional information as you work to include this definition, we are happy to assist.

Respectfully Submitted,
California Biomass Energy Alliance

A handwritten signature in black ink, reading "Julie Malinowski Ball". The signature is written in a cursive, flowing style.

Julie Malinowski Ball, Executive Director

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