



Cal OES
GOVERNOR'S OFFICE
OF EMERGENCY SERVICES

CALIFORNIA DEPARTMENT OF FORESTRY AND FIRE PROTECTION

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Tree Mortality Task Force Bioenergy Working Group Agenda

April 29th, 2016, 11:00 – 12:30

Natural Resources building, 1416 9th St., Sacramento,
CAL FIRE Large Conference Room - 1506, 15th floor (east end of hallway)
Conference Call Line: 916-324-6897 (no passcode required)

I. Roll call of Working Group Members (Kim)

Attendees	
Kim Carr, Glenn Barley, Chris Anthony	Cal Fire
Julia Levin	BAC
Matt Plummer, Andrea Torres, Hugh Merriam	PG&E
Staci Heaton	RCRC
Christa Darlington	Placer County Air Pollution Control District
George Wiltsee	SCE
Angie Lottes	WRTC
Brett Storey	Placer County
Larry Swan	Forest Service
Sandy Goldberg	OPR
Mike Muston	Buena Vista
Aleecia Gutierrez, Le-Huy Ngyuen	CEC
Rosemarie Smallcomb	Mariposa County
Maria Sotero, Judith Ikle	CPUC
Evan Johnson	Cal Recycle
Brittany Dyer	Madera County
Rich Wade	BOF
Rick Spurlock	IHI
Skip Barwick, Larry Osbourne	Community Renewables
Julee Malinowski-Ball	CBEA
David Branchcombe	SPI

II. Approval of Agenda (Kim)

III. BioRAM Adopted Resolution E- 4770

a. IOU advice letters and comments (CPUC and submitters)

- i. PUC has an expectation that there will be a supplement to advice letters filed by the utilities shortly and a resolution or disposition letter will then need to be filed to address those filings. If protests are withdrawn, PUC will issue a disposition letter which is a quicker process than a Commission adopted resolution. If protests are not withdrawn a new Resolution will be needed.

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- ii. A disposition letter can be issued by CPUC staff- it is a less formal- if the protests are withdrawn and the utilities amend their advice letters with information reached through consensus.
 - iii. Letters need to be reached quickly or we are going to move to issue a Resolution. A Resolution would have to be included in the July 14 Commission voting meeting or will have to wait for an August meeting. To meet the July 14 meeting, we will significantly shorten comment periods.
 - iv. Conflict resolution meetings with SCE, PG&E, and stakeholders
 1. Two protest letters have be filed
 2. We have come to consensus on some issues, but not yet the clawback issue. Utilities stating that they have been working on the clawback issue but are very concerned with complying with the minimum fuel requirements in the Program.
 3. Next meeting this Wednesday, May 25, at 1 pm.
- b. Bilateral contracting status (Utilities)
- i. PG&E has no public filings to report; it's in progress
 - ii. Placer County – a developer for the Cabin Creek facility has contacted PG&E but has not been able to discuss this option with anyone there. PG&E has told us that we should participate in BioMAT but we're not in PG&E territory so we want to execute a bi-lateral contract
 - iii. Placer County APCD – the PUC took the 3 MW floor out of the BioRAM program so Cabin Creek should be able to qualify to bid into the RAM.
 - iv. Cal Fire- the PUC removed the 3 MW floor for BioRAM but utilities have included the 3 MW floor in their advice letters. Utilities could change advice letters to allow non-qualifying BioMAT facilities to participate.
 - v. Larry Osborne – we have 2 facilities that we would like to begin negotiating a bi-lateral contract for but don't know how to begin that conversation.
 - vi. Skip Barwick – the SJ APCD permits specify that some facilities take a high percentage of agricultural waste as part of US EPA's permit. Is there an existing program that will allow those facilities to engage in negotiations with utilities?
 - vii. PG&E- these programs are designed to address the tree mortality crisis and we are having negotiations with those facilities that can address the crisis, but aren't starting negotiations with just any facility that wants a contract.
 - viii. CPUC – it sounds like facilities that cannot take forest fuel do not qualify for assistance through these contracts
- IV. BioMAT
- a. BioMAT decision status (CPUC)
- i. Comments are due May 25, reply comments are due June 3.
 - ii. PG&E – the list of projects that are in the queue is confidential because that information will affect the market. There is also a queue disclosure policy listed on the website. If there is a lot of market depth and many projects in the queue then sometimes we will share more information. The queue disclosure policy and queue information documents are under the "Program Documents" tab of the Accion platform.
 1. PG&E's BioMAT landing page: <http://www.pge.com/rfo/biomat>
 2. SCE's BioMAT landing page: <https://scebiomat.accionpower.com/biomat/>
 3. PG&E BioMAT Program Platform hosted by Accion Power: <https://pgebiomat.accionpower.com/biomat/home.asp>

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- iii. OPR - what kind of information is shared? PG&E - when there is market depth, or enough projects in the queue to move the price, we will share total capacity in the queue, or queue number and volume of projects. We never disclose businesses behind the projects until project execution.
 - b. Interconnection trailer bill language
 - i. Language can be seen on the Department of Finance website, proposed as part of budget revision:
http://www.dof.ca.gov/budgeting/trailer_bill_language/natural_resources_and_capital_outlay/documents/823BioenergyInterconnection-TariffEligibility_000.pdf
 - ii. Hearing in Assembly and Senate budget committees last week did not approve the language but held it open so that subcommittees will have to approve.
 - iii. Projects that are not yet interconnected are eligible to participate in the program if they have a current interconnection or valid SIS but do not have to have a current study.
 - iv. PG&E – we have some concerns but specifically now have a procedural question. This bill applies to the full BioMAT program, not just category 3. When program-wide changes are made delays can be experienced. We would not be surprised if this pushed the program out to 2017. Are you concerned that the trailer bill will cause delays?
 - v. OPR- we differ in opinion. We know there was a category 1 program that was able to pay the first deposit but pulled out after that because it was still too risky. We think this will accelerate the program across categories.
 - vi. BAC- we understand that this has not been an issue in discussion for very long but the comments and reply comments give the opportunity to identify appropriate parameters during implementation. What could be a worse delay than getting projects kicked out of the queue?
 - vii. PG&E - Before we can implement these things, there has to be a proposed decision, comments and reply comments, an ultimate decision and additional process.
 - viii. OPR – this is written such that all the PUC has to do is tell the utilities to amend the tariff to comply. PUC supports this language.
 - ix. PG&E: it seems simple but from experience we can say that it's not.
 - x. OPR- we have decided this is not going to delay more than the alternative and think this is a good way to proceed. The PUC executive director has testified on behalf of the bill.
 - xi. PG&E – the PUC would have done this without knowing our opinion, but we will have a chance to talk with people now that it's at the legislature. We have also been working on an alternative to this.
- V. Biomass volume estimates to determine MW capacity needed (Kim)
- a. This is something we have to do per the Emergency Declaration. Cal Fire and the Forest Service are working on this but have
 - b. Quite rightly, folks have been asking the Forest Service what amount of HHZ we can provide but it has been difficult to figure that out based on the way we do forest inventory. The implications are so serious that very high level employees working on the summary.

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VI. Facility status (Participants)

- a. Rio Bravo and other contracts are expiring this year
- b. Dinuba operating at a very low power rate

VII. Review Action Items (Angie)

- a. Email Cabin Creek and PG&E contact information for discussion
- b. Email group links to BioMAT queue disclosure statements

VIII. Closing Comments/Adjournment

- a. Skip Barwick – we understand that folks are trying to access Cap and Trade funds to cover movement of forest material.
- b. BAC – In the January budget, there was a \$150 million for “healthy forests” which included some funds for bioenergy facilities. There was an additional amount proposed in the May revise for CAL FIRE . Is there a more detailed budget that Cal Fire has put together to further break out these funds?
- c. Cal Fire – The May revise includes an additional \$11 million for Tree Mortality. Within that there is a breakout of \$5 million, some of which could possibly be used for transport but not certain. The ARB has strict standards as to what Cap & Trade funds can be spent on, and we will have to do larger landscape work and other carbon neg. work to include other carbon positive things like transport or prescribed fire. Applicants will submit projects, and if the overall request shows GHG benefit, than an applicant can include hauling funding.
- d. BAC: but is there a detailed budget for how the \$150 million in the original budget proposal will go to bioenergy facilities?
- e. Cal Fire: ARB put quantitative methodology together to determine if a project is carbon neutral or negative. Within that there are ways to include hauling funds, but we will not define how much of that happens because land management is proposed by the landowner.
- f. Skip: If the southern forest start burning in the San Joaquin Valley, it's going to be terrible. Forest Health investment is meant to be spent on preventing forest fires.
- g. Cal Recycle: we are beginning to put out grants. It's targeted to divert material that would otherwise be going to a landfill. There are two workshops coming up, one May 24 which is specific to a smaller pot of money targeting food waste diversion and the other will be on eligibility criteria for the larger program focused on organics recycling.
 - a. Organics Grant Program:
<http://www.calrecycle.ca.gov/Climate/GrantsLoans/Organics/default.htm>
 - b. And the awards from the 14-15 cycle, for reference:
<http://www.calrecycle.ca.gov/Climate/GrantsLoans/Organics/ORG1Sum83115.pdf>
- h. BAC: The Air Board is proposing \$1 million for sustainable fuels and the CEC also has general fund and AB 118 money for biofuels. Solicitation for AB 118 ([Alternative and Renewable Fuels and Vehicle Technology Program](#)) will be released in the near future. Plants that are producing biopower should really also consider biofuels and renewable natural gas.
- i. CEC – the EPIC funds release is also imminent.



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- a. \$5 million for Applied Research and Development for forest biomass
- b. \$10 million for Demonstration funds
- c. \$8 million for conversion of food waste in Southern California
- j. DOE biopower demonstration grant opportunity: <https://eere-exchange.energy.gov/#Foald751733aa-d067-485a-aeb6-6927147d81f7>
- k. Forest Service – we also have a national program called the Wood Innovations Grant.
 - a. California was very successful this year, 8 out of 10 were funded which is very good.
 - b. Mariposa County, Sierra Institute, and Fall River RCD all got funds to move their BioMAT projects forward, and there will also be financing feasibility work completed. SMUD also got funding to work on bioenergy markets.

Note: Working Group Leaders to present current workgroup priorities and accomplishments at full Task Force Meetings.

Note: Our next meeting will be held on June 20 or 27th