

## CALIFORNIA ENERGY COMMISSION

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Mr. Tony Brunello  
Deputy Secretary for Climate change and Energy  
California Natural Resources Agency  
1416 Ninth Street  
Sacramento, California 95814

Mr. David Nawi  
Board of Forestry and Fire Protection  
P.O. Box 944246  
Sacramento, California 94224

Dear Mr. Brunello and Mr. Nawi:

**Re: California Energy Commission Comments for the Interagency Forestry Working Group**

California's biomass resources play an important role in meeting renewable energy production goals for the electricity and transportation fuel sectors. Forest biomass resources are relatively abundant, thus an important subset of the state's total biomass resources, and increasing are the focus of State policy. We are pleased to offer the following comments for consideration by the Interagency Forestry Working Group (IFWG).

**Background**

Assembly Bill (AB) 118 (Núñez, Chapter 750, Statutes of 2007) created the Alternative and Renewable Fuel and Vehicle Technology Program. This legislation authorizes the Commission to spend up to approximately \$120 million per year for over seven years to develop and deploy innovative fuel and vehicle technologies. Further, this legislation directs the Commission to:

*“Establish sustainability goals to ensure that alternative and renewable fuel and vehicle deployment projects, on a full fuel-cycle basis, will not adversely impact the state's natural resources, especially state and federal lands.”*

As the term is generally used, “sustainability” goes beyond State environmental performance and regulatory standards to include the realities and impacts of a national and global fuels market. In implementing this program, one of the Commission's primary goals is to support the development of an in-state bio-energy industry, and to ensure its environmental sustainability.

On February 25, 2009, the Commission adopted the following regulatory language describing a sustainability criterion for the use of forest biomass materials in AB 118-funded projects:

*“Section 3101.5 (F) Projects that use forest biomass resources as part of their feedstock, and that demonstrate the advancement of natural resource protection goals, are those that use forest biomass collection or harvesting practices that do not diminish the ecological values of forest stands, and that are consistent with forest restoration, fire risk management and ecosystem management goals.”*

This criterion is triggered when a project proponent applies for AB 118 funding associated with a forest biomass project. It guides proponents and Commission staff in identifying projects that meet the sustainability goals. It is not however, a regulatory or performance standard. While the Section 3101.5 (F) criterion provides general guidance, a more precisely defined programmatic technical standard or protocol is needed to identify thinning operations or harvest collection operations that meet this policy objective for sustainability in the forest biomass sector.

There is some urgency in developing a sustainability standard or protocol. In the near term, Commission staff expects to begin releasing program opportunity notices and soliciting for projects and would anticipate reviewing any proposed forest projects for consistency with sustainability goals in the fall, 2009.

### **Specific Questions and Issues**

The Commission wants to ensure that our actions on forest biomass and renewable energy production complement the work of state and federal forestry and climate change agencies in these related technical areas. Balancing environmental stewardship and environmental protection goals, with the continuing energy uses of forest biomass resources, is the Commission’s primary interest for participating in the Interagency Forestry Working Group (IFWG).

Commission staff is unable to determine the relationship between existing regulatory standards for forest management and biomass collection, and sustainability standards. In workshops sponsored by the Commission, the degree that these forest regulations and practices should be considered “sustainable” both generally and specifically was highly controversial. Stakeholders representing environmental organizations involved with the AB 118 and Low Carbon Fuel Standard regulatory proceedings maintain that extant forestry regulations and practices are not sustainable, and that more environmentally sensitive standards, safeguards, and practices are needed. It is our hope that the IFWG can provide an analytical framework and policy recommendations for measuring the quantity of sustainable forest biomass waste available for energy purposes, and establishing technical, science-based definitions and standards for sustainable waste removal, thinning practices, and other forest biomass collection activities.

The specific questions we recommend the IFWG to consider include:

1. Are there science-based working definitions (criteria, guidelines, protocols, etc) for “sustainable” thinning practices that the Commission could adopt for the AB 118 sustainability evaluation criteria? If not, could such a definition be developed for use

in California forests through funding of research or model demonstration projects?  
In addressing this question, the IFWG may need to examine:

- how thinning operations are defined in regulations and agency-level technical guidance and what, if any, new statutory, regulatory, or technical guidance would solve the problem;
  - the economics of thinning operations and if additional funding is needed to conduct them in a “sustainable” manner;
  - the need for more enforcement and oversight of thinning operations.
2. How likely is it that a strong market demand for forest biomass could drive non-sustainable harvest or production practices such as has occurred internationally with other alternative bio-fuel feedstocks (e.g. palm oil, sugarcane and corn).
  3. On a lifecycle basis, what greenhouse gas emissions "credit" if any, should be given to fuel derived from forest waste because of reduced risk of severe forest fire.

We believe the IFWG is fulfilling an important need, appreciate this opportunity to comment on its scope and priorities, and expect the results of this effort to assist us in implementing renewable energy policy. We intend to fully participate and want to explore collaboratively with expert agencies, research organizations, and NGOs possible means of harvesting forest biomass waste without harming forest ecological values, while contributing to fire risk management and forest restoration goals.

Sincerely,



JAMES D. BOYD  
Commissioner and Vice Chair