

CALIFORNIA ENERGY COMMISSION

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May 19, 2009

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 on Recommendations to Focus the Interagency Forestry Working Group Work Plans for 2009.

We appreciate the opportunity to comment on the May 6th 2009 draft list of recommended actions of the Interagency Forestry Working Group (IFWG). The IFWG should be commended as these actions are clearly a significant step toward addressing key issues associated with forestry sector greenhouse gas reduction goals in the Air Resources Board's (ARB) Scoping Plan.

As noted in our comments of March 18, 2009, the IFWG could play a significant role in the implementation of Assembly Bill (AB) 118. It was our hope that the IFWG could 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. In particular, we asked the IFWG to consider addressing several related questions:

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? More specifically:
 - a. How is sustainability of forest biomass harvesting practices defined, prescribed, proscribed, and enforced, within the existing body of state and federal forest practice regulations, protocols, and planning processes.
 - b. Are more resources and renewed commitments needed for enforcement and oversight of existing sustainability processes to ensure that prescribed practices are actually followed in the field?

- c. If there are ambiguities or missing elements in existing sustainability protocols, what new or revised statutory, regulatory or technical guidance efforts are needed?
2. What policy options (e.g., credits, subsidies, harvest volume limits, etc.) might be considered to buffer the impacts of market volatility and forest biomass energy economics, in order to effect a stable and sustainably-harvested flow of forest bio-energy from California's forest lands over the planning horizons for AB 32 and AB 118.

Attached are our suggested edits (underline/strikeout format) to the proposed IFWG actions for 2009. Action item 1 is an important step, foundational for assessing the sustainability of forest bio-energy projects, and could thereby provide the vehicle for examining science-based working definitions of "sustainable" thinning practices. We would stress the importance however, of ensuring that integrated forest inventory, assessment, and monitoring activities be capable of evaluating greenhouse gas impacts of forest bio-energy projects on both temporal and spatial scales.

Action item 2 and 3 are interrelated and critical to developing bio-energy in the context of AB 118. An efficient course of action for action item 2 might be to review the existing body of forest practice regulations and planning procedures as the basis for developing a working definition of sustainable forest biomass harvesting, both for achieving greenhouse gas reduction goals and for allocating AB 118 funds for bio-energy. UC Davis efforts in developing sustainability guidelines and criteria would also seem to be a logical and essential part of this effort. These definitions are a critical first step to developing a project or projects to use forest thinning for alternative fuels as envisioned in action item 3.

Finally, the Commission recently approved an Investment Plan for implementing AB 118 that allocated up to \$4 million for addressing issues related to sustainability. While our primary interest is in developing emerging technologies for harvesting forest wastes for bio-energy, we appreciate the opportunity to participate in the IFWG and explore collaborative partnerships with interested parties. In light of the Investment Plan, we are willing to participate and if appropriate, co-lead a working group charged with managing IFWG activities related to action items 2 and 3.

If you have any questions regarding our comments, please contact Jim McKinney, Transportation and Fuels Division at (916) 654-3999 or jmckinne@energy.state.ca.us.

Sincerely,



JAMES D. BOYD
Commissioner and Vice Chair

Attachment 1

1. *Develop and fund activities to reduce the uncertainty in existing State GHG inventory data related to all forests and rangelands including urban forests, and increase the State's capacity to collect, manage, and create projections with this information over the long-term including an assessment of the impacts from climate change, GHG emissions mitigations, and bio-energy development on forest lands. ARB staff has identified critical data gaps and areas of uncertainty in forest inventories, monitoring, and GHG flux assessments (see SymposiumDraft8.doc). ARB and CALFIRE staff are taking the lead in developing two symposia on these topics to take place in July 2009 and later in the summer, as the basis for providing recommendations for IFWG to approve or alter by September 2009.*
2. *Determine the effect of existing State and Federal forest and rangeland regulations (i.e., Sustained Yield Plans, Non Timber Management Plans, forest practice regulations, etc.) on meeting the state's GHG goals through forest emissions reductions and renewable energy production. Would simple adjustments be sufficient, or is more significant action needed? ~~This would be an independent review of existing regulations should be used to help establish and define sustainable forest biomass utilization, which can be used by CEC to foster development of innovative bio-energy technologies and infrastructure consistent with the Low Carbon Fuel Standard.~~ Findings would be presented to IFWG by November 2009 to consider potential recommendations to strengthen, clarify, or highlight existing rules. Funding will likely be necessary to implement this effort.*
3. *Define sustainable woody biomass utilization, using results from Item 2 as appropriate. Assist in developing and/or identifying a project that could be funded in congruence with CEC's AB 118 Investment Plan, which includes a \$4 million allocation for AB 118 sustainability research. ARB and CEC could co-lead a working group that would provide recommendations to IFWG by November 2009 on definitions and projects to be considered by IFWG.*