

Developing Collaborative Objectives for Biomass Policy in California



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Policy Committee

Focus:



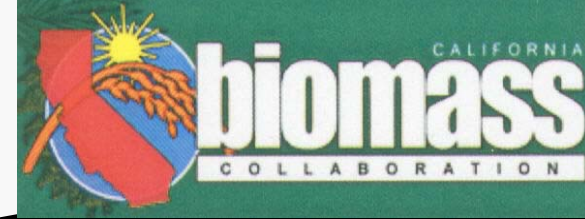
- Review Primary Obstacles to Biomass Industry Development and Viability in California
- Recommend Integrated Public Policy Measures to Enhance and Expand In-State Biomass Power, Fuel and Chemical Industries
- Determine the Most Effective Means for Carrying these Recommendations Forward to the Governor & Legislature

Biomass Contribution to CA Policy Objectives:



- Renewable Portfolio Standard
- Petroleum Dependency Reduction
- GHG Reduction
- Air Toxics Reduction
- Wildfire Prevention
- Water Quality and Watershed Protection
- Landfill Diversion
- Rural Economic Development
- Urban Revitalization and “Smart Growth”

Overarching Institutional Barriers:



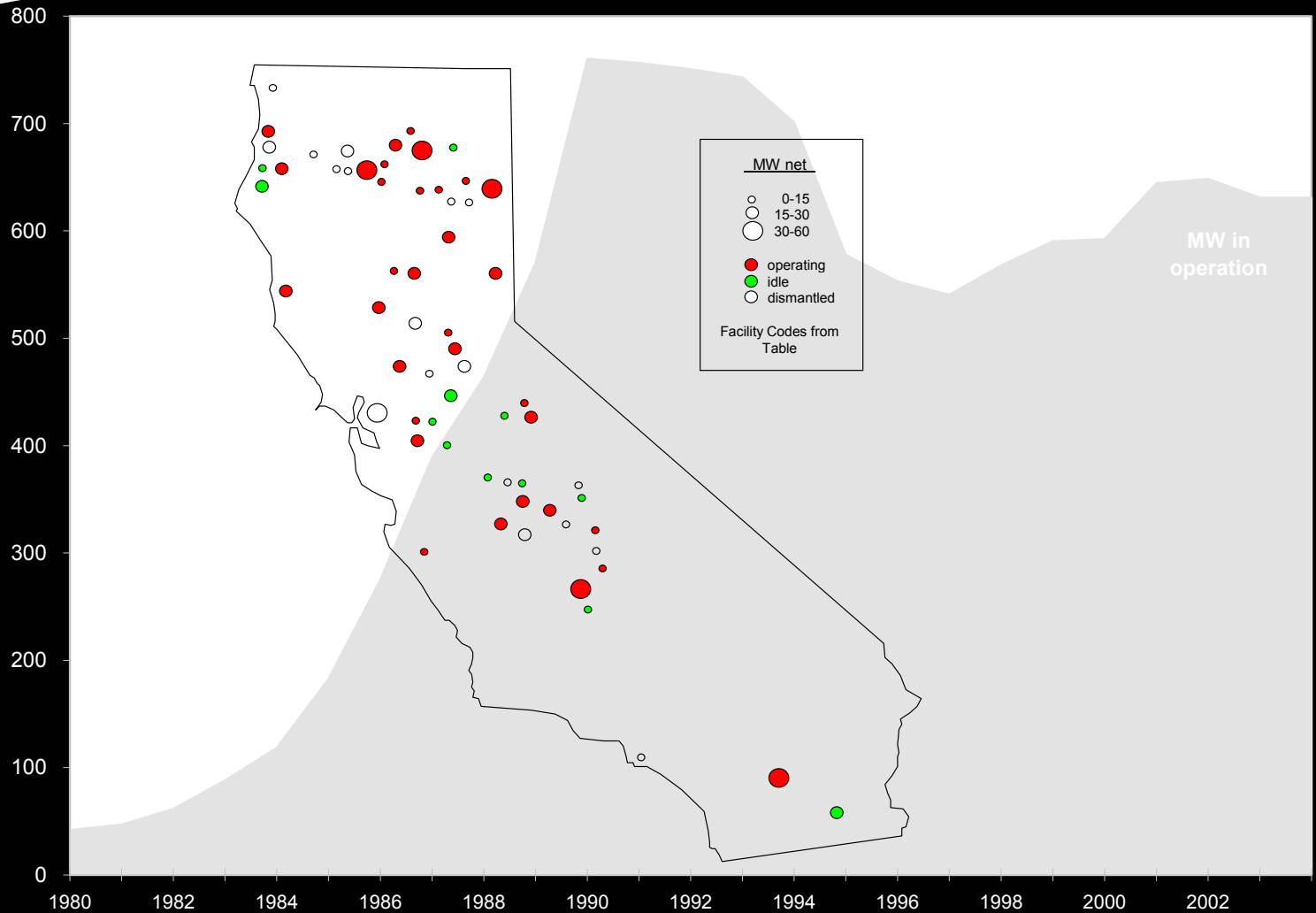
- Fractionation of CA Environmental Policies and Programs
- No Statewide System for Netting and Monetizing Environmental Benefits
- Competition with Vested Utility, Fuel and Waste Management Infrastructures
- Challenging Regulatory Climate
- Lack of Public Awareness & Advocacy

The Essential Biomass Predicament

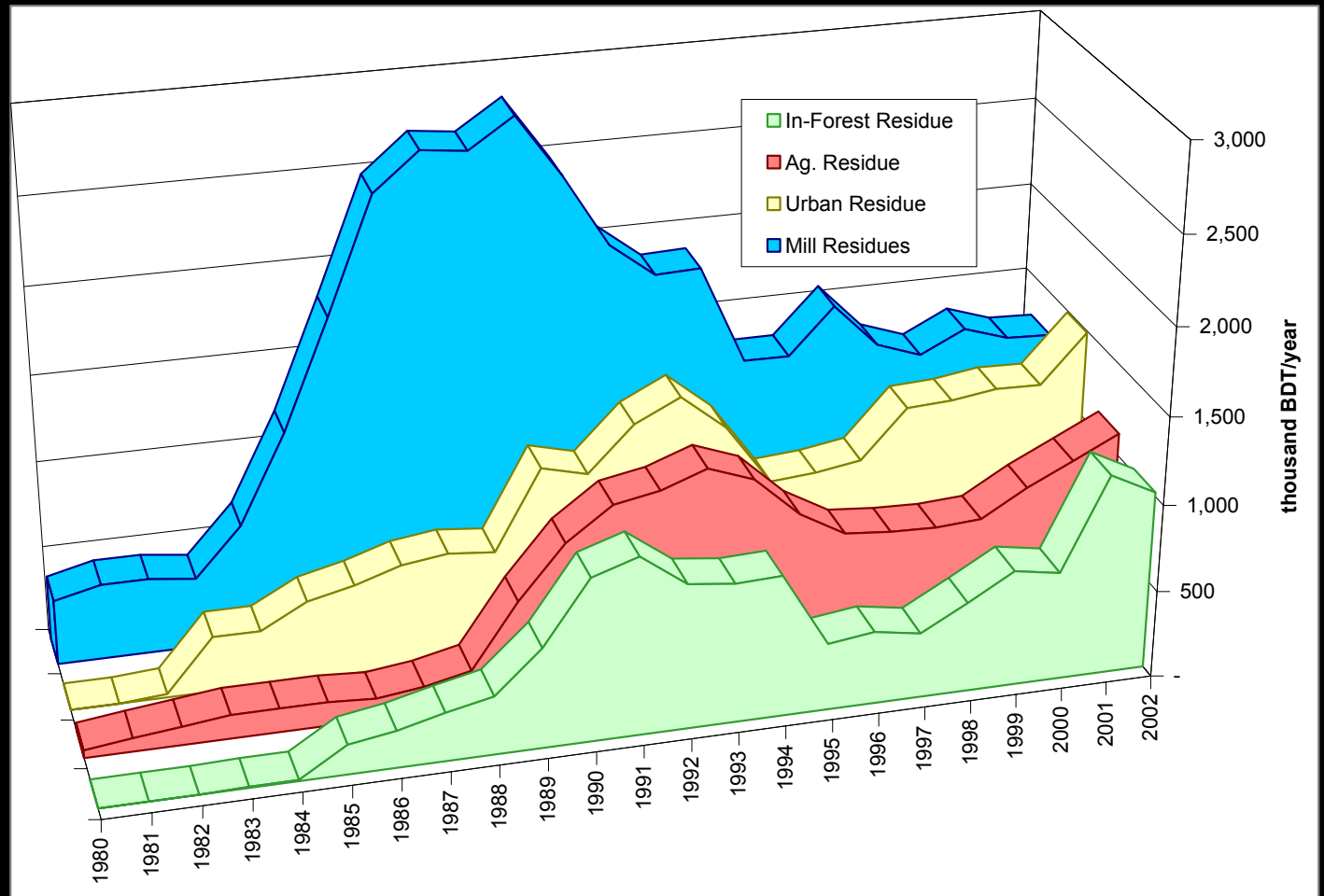


- The Productive Use of Biomass Residues Provides Valuable Waste Disposal Benefits.
- Procuring, Handling, and Processing Biomass Residues into Products is Expensive

California Biomass Power Plants



Biomass Fuel Use in California



The Existing Biomass Energy Industry



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- Thirty-one solid fuel biomass power plants, 630 MW, are in operation. They produce 4,000 mil.kWh/yr from 8 mil.tons/yr of biomass.
- More than 50 biogas generators, some 200 MW, are in operation. Most are at landfills. They produce 1,500 mil.kWh/yr.

New Biomass Power Technologies



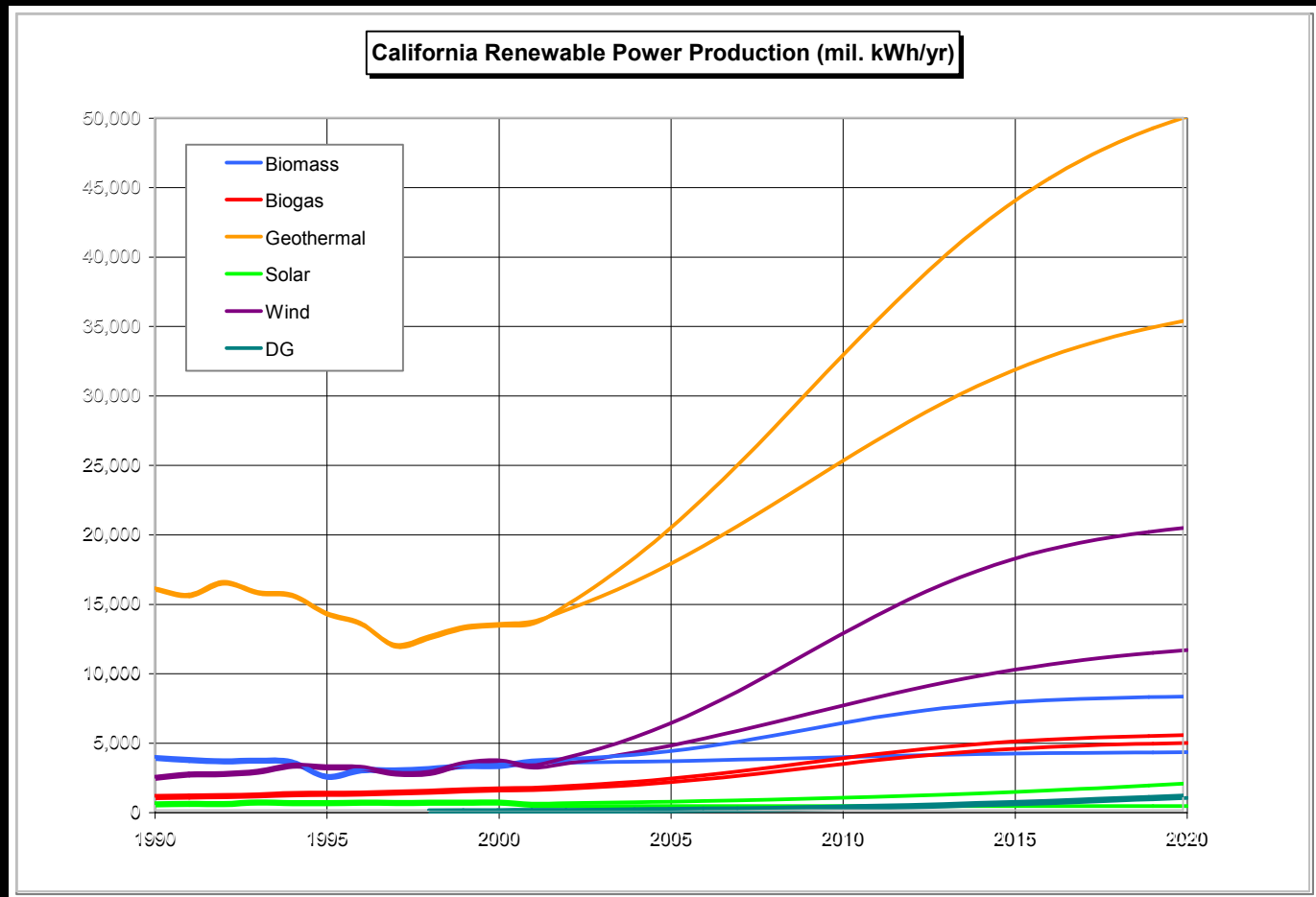
- Conventional technology (boilers, steam turbines, engines for biogas) is mature, small improvements likely.
- New technologies on the horizon:
 - gasification / gas clean-up / combined cycle
 - direct conversion to hydrogen, fuel cells
 - small modular generators for DG applications

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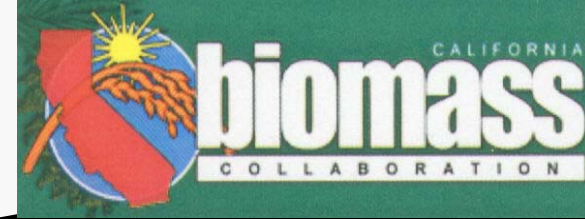
California Biomass Power Futures



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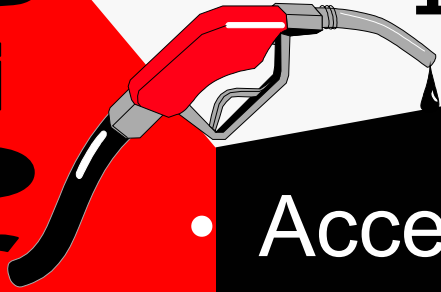


Challenges to Biofuels Industries



- Access / Cost of Biomass Feedstocks
- Maturity of Cellulosic Technologies
- Financing of Commercial Demo Plants
- Lack of Aggressive Industry Incentives
- Legislative, Regulatory & Permitting Hurdles
- Biofuels Market Uncertainties
- Political Science vs. Real Science

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Policy Comments Received:



- Update CARB Scientific Data Base on CO₂, Nox. , CO, Permeation, Price, and Supply issues
- Change CARB Regulation to Allow 10% ethanol blends (CA production model)
- Include fuels component in AB 1493 regulations for CO₂ reductions
- Develop California RFS
- Modify CARB public fleet rule to include biodiesel and biodiesel blends as a specific compliance option

WORLDWIDE



Policy Comments Received:



- Eliminate PRC Statutory bias against bioconversion impacting waste feedstock access, diversion credit, financing eligibility, and siting
- Limit CIWMB regulatory authority over bioconversion facilities to health and safety aspect of feedstock handling operations versus industrial processes
- Establish financing for cellulose to ethanol plants thru federal funds, dedicated CDCFA funds, or creation of a PBF thru CIWMB statewide fees on landfills
- Establish state agency biofuels purchasing mandates

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Challenges to Biochemical & Bioproduct Industries



www.biobased.oce.usda.gov

www.biobased.com

- Shortage of In-State Oil, Fiber and Other Biobased Crop Feedstocks
- Lack of Information for Producers and Consumers on Biobased Product Alternatives, Manufacturers, and Retail Distributors
- Lack of Test Data on Environmental, Functional, and Economic Performance of Biobased Product Alternatives
- Lack of Biobased Product Purchasing Policies and Incentives



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Policy Comments Received:



- Coordinate with USDA and other Federal programs to develop in-state agricultural feedstocks for biobased product industries
- Establish tax or other incentives for CA growers and bioproduct manufacturers
- Establish State-sponsored bioproduct test programs (solvents, pesticides, plastics, paints, inks, lubricants, adhesives, etc.)
- Incorporate biobased product alternatives in State and local EPPs

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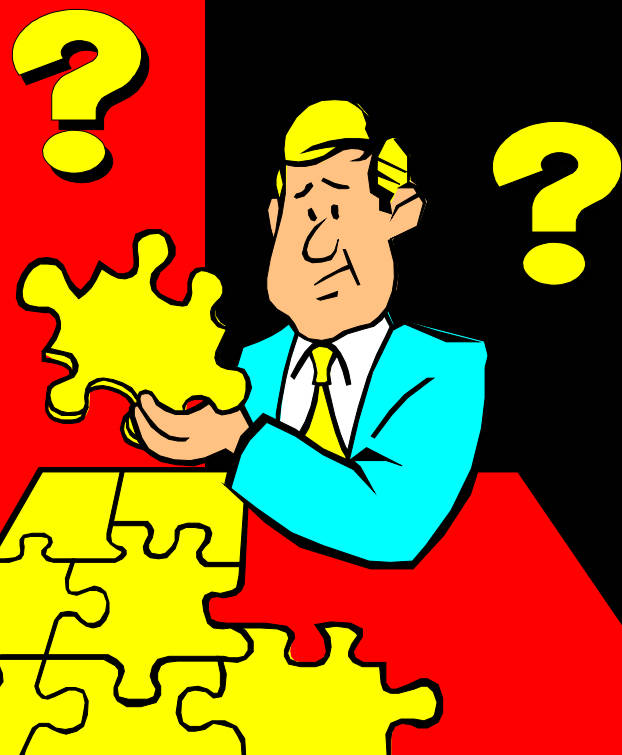


State Biomass Policy Framework



- Overall support programs to make biomass technologies competitive with “brown” alternatives (e.g. tax & production credits, market priming).
- Targeted support for the use of particular types of residues in order to solve environmental problems.

Elements of Comprehensive State Biomass Policy:



- Preservation & Enhancement of Biopower Role in RPS
- Monetization & Netting of Environmental Benefits
- Statutory & Regulatory Reforms
- Permit Streamlining
- Non-General Fund Financing & Incentive Measures
- State & Local Procurement
- Public Education & Awareness

Request for Input on Policy Issues



Complete the Forum Survey Form



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