

# ***California Biomass Collaborative***

## ***“Bio-Energy Interagency Working Group”***

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## Presentation Outline

- Background and Policy Context
- Governor's Direction to the Energy Commission
- 2005 Integrated Energy Policy Report
- Bio-Energy Interagency Working Group



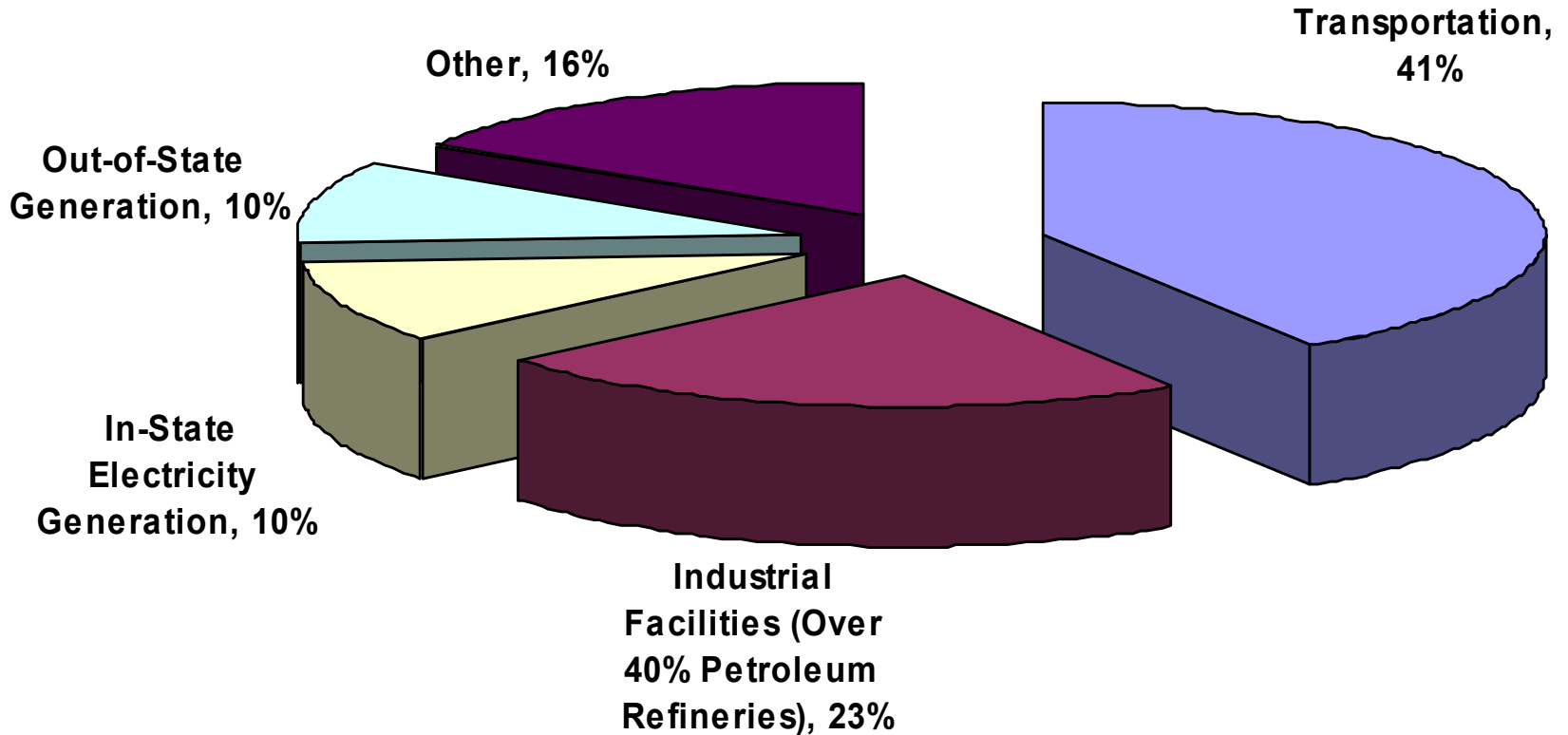
## Background and Policy Context

### California's ranks high in emissions of greenhouse gases

- California has the sixth largest economy in the world, and is the twelfth largest emitter of greenhouse gas emissions, with more GHG emissions than any state but Texas.
- Annually, California emits over 500 million metric tons of carbon dioxide equivalent gases.
- Emissions of greenhouse gases are large and growing, due to population and economic growth.
- Transportation sector is the single largest source of greenhouse gas emissions in California.



## California's Greenhouse Gas Emissions



# Governor's Greenhouse Gas Leadership Initiative

**On June 1, 2005, the Governor issued an Executive Order establishing statewide greenhouse gas reduction targets.**

- **By 2010, Reduce to 2000 Emission Levels.**
- **By 2020, Reduce to 1990 Emission Levels**
- **By 2050, Reduce to 80% Below 1990 Levels**

**Cal EPA is leading a coordinated effort to implement strategies to achieve the Governor's targets.**

**Bio-energy in the form of bio-fuels and methane recovery from landfills are strategies being pursued by the Climate Action Team.**



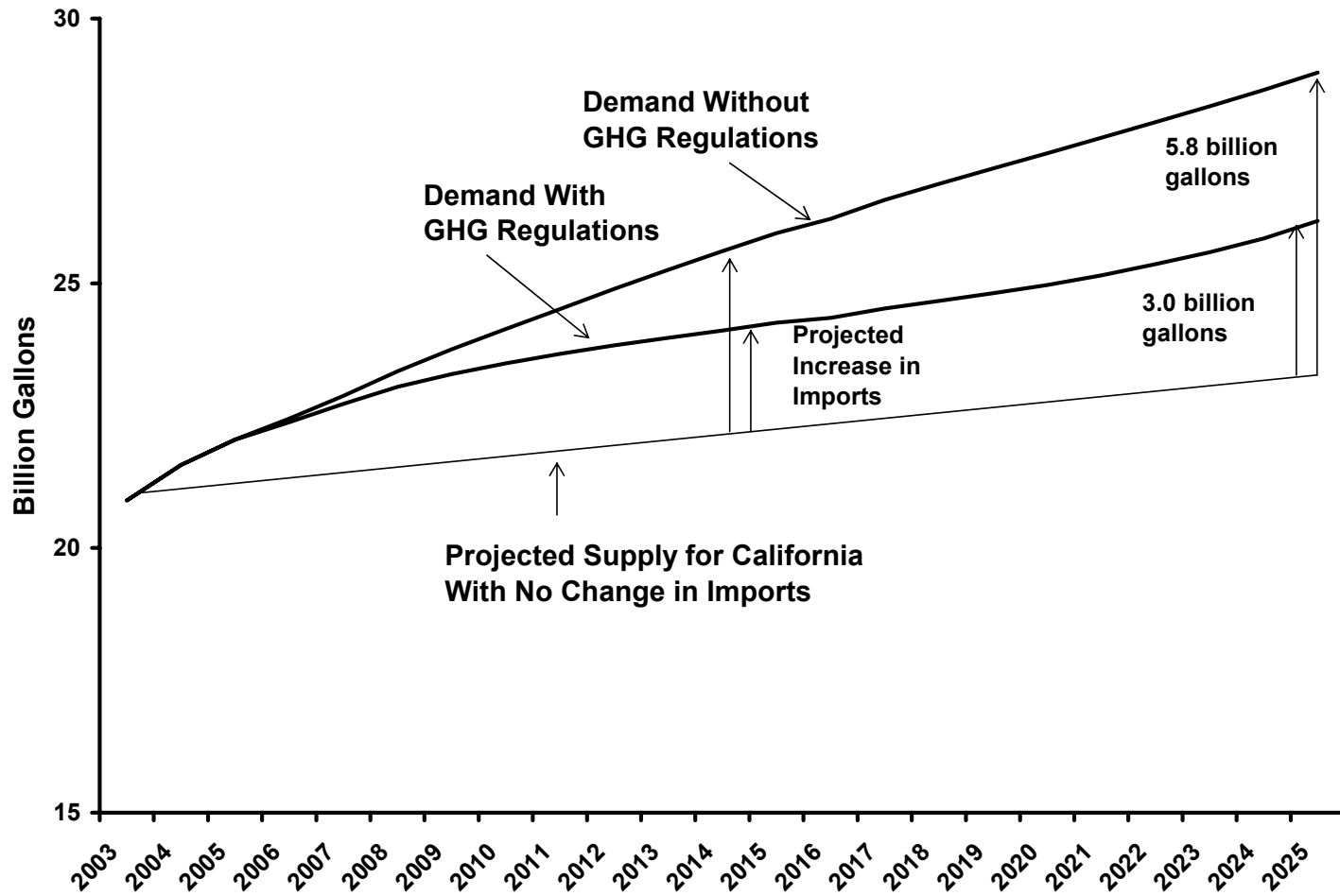
## Background and Policy Context

### Growing Demand for Gasoline and Diesel Fuel

- Californians consume about 43 million gallons of gasoline and 8 million gallons of diesel fuel per day.
- The state's demand for transportation fuels has increased 48 percent over the last 20 years.
- The Energy Commission forecasts that demand for gasoline in California will reach 48 to 52 million gallons per day by 2025.
- For diesel, the projection ranges from 13.6 to 13.8 million gallons per day.



## Projected Gasoline and Diesel Supply and Demand in California



## 2005 Integrated Energy Policy Report

**The Energy Commission remains concerned about the relationship between retail price spikes and weaknesses in the state's petroleum infrastructure, including:**

- the growing gap between in-state refining and demand in California and the region.
- limited storage capacity for crude oil and refined products.
- increasing local pressure on import facilities at Southern California ports.

**Bio-fuels is one of the supply options that can address these concerns.**





## Governor's Direction on Transportation Fuels

**Governor Schwarzenegger has directed the Energy Commission to take the lead in crafting a workable long-term transportation fuels plan that will:**

- result in the significant reduction of gasoline and diesel use
- increase the use of alternative fuels, including bio-fuels
- establish a set of realistic, achievable objectives with identifiable and measurable milestones

**The first phase of this long-term plan is due on March 31, 2006.**



## State Legislative Direction Alternative Transportation Fuels

- **AB 2076 (Chap. 936, Statutes of 2000) – Joint Energy Commission and Air Resources Board Report**
  - Adoption of petroleum reduction goals for California
  - Reduce gasoline and diesel to 15 percent below 2003 demand levels
  - Increase use of alternative fuels and double fuel efficiency of vehicles
- **AB 1007 (Chap. 371, Statutes of 2005) – Energy Commission; Alternative Fuels Plan.**
  - Develop and adopt a plan no later than June 30, 2007.
  - Work in partnership with the Air Resources Board and affected state agencies.



## 2005 Integrated Energy Policy Report

- **Applying a “portfolio” approach to alternative transportation fuels, including bio-fuels**
  - Flexible approach to emissions compliance
  - Total net benefits versus a single pollutant focus (e.g. oxides of nitrogen).
  - Examining the effect of bio-diesel blending on emissions performance.
  
- **Achieving multiple policy benefits of fuel diversity, energy security and climate change**
  
- **Establishing a Renewable Fuels Standard**
  - Requiring that a percentage of all diesel sold include bio-diesel.
  - Establishing state procurement policy favoring bio-diesel.



## Governor's Direction on Biomass

**The Governor has directed the Energy Commission to develop an integrated and comprehensive state policy on biomass:**

- Support for the California Biomass Collaborative through the Public Interest Energy Research program;
- Reinvigorate the Bio-Energy Interagency Working Group;
- Include in this policy electricity, natural gas and petroleum substitution.
- Reflect the substantial benefits of reducing municipal solid waste and agricultural and forestry residues to fuels, chemicals and other products.



# Bio-Energy Interagency Working Group

- **Goals:**
  - Identify and develop interagency opportunities to advance biomass-to energy;
  - Address barriers and propose solutions;
  - Recommend new legislation;
  - Identify funding opportunities;
  
  - Create synergy through joint, state level efforts.
  
- **Membership:** California Energy Commission (Lead), California Public Utilities Commission, Department of Food and Agriculture, Air Resources Board, Department of Forestry and Fire Protection, State Water Board and Integrated Waste Management Board.
  
- **Timing:** Began meeting regularly in May 2005; recommendations expected in March 2006.



# Bio-Energy Interagency Working Group

- Expand the use of biomass, biogas, bio-fuels and bio-based products
- Identify near-term or immediate actions that California state agencies could pursue in 2006.
- Expand markets for urban, agricultural and forestry residues
- Identify and remove unnecessary regulatory requirements



# Bio-Energy Interagency Working Group

- Regular meetings to achieve consensus on an action plan for state agencies
- Public process to solicit stakeholder input in early 2006.
- Draft report and recommendations in March 2006

