

From: Julee Malinowski-Ball [<mailto:Julee@ppallc.com>]
Sent: Thursday, September 26, 2013 4:51 PM
To: Levenson, Howard
Subject: Biomass Power and Waste Management Sector Implementation Plan

Hi, Howard:

I've been reviewing the Implementation Plan and see lots of good things in it. I know we talked about integrating or cross connecting the Waste Management Section and the Forestry Sector when it comes to moving residues out of the forest and to bioenergy facilities or elsewhere. I still think it's a good idea I'm just not sure how to do that under your current construction.

I wanted though to highlight one very important issue for the biomass industry that was pointed out in the Biomass Conversion White paper but not done justice. Around 300 MWs of legacy biomass contracts are expiring in the next 3-5 years and there is no light at the end of the tunnel for these facilities to get those contracts extended or converted into an RPS contract. Utilities are saying they are oversubscribed with renewables in general and therefore do not need to maintain their existing renewable resource contracts. Additionally they are way over-procuring solar and claim baseload attributes biomass power provide are no longer needed, wanted and in fact are a problem for the grid.

As you know biomass provides so many more societal and environmental benefits than the renewable power it produces. When a biomass power facility goes away, fuel is left on the forest floor and in the fields to degrade or burn or is diverted back to landfills. Small businesses that process and transport the fuel, that exist primarily in rural communities only because of this industry, will be closed. While there are many really good suggestions in your Implementation Plan, there is nothing more important to preserving the existing industry than establishing some sort of priority or stand alone requirement for biomass power procurement. The suggestion in Section 3(b), establishing a feed-in tariff at the point in the contracting game might not be enough.

I know the Scoping Plan update alone cannot solve this problem but the potential loss of facilities should really be elevated. Would love to talk with you about this and ideas on how to draft that recommendation. I'm available to meet any time and can bring a member or two who can provide more details on their interaction with the CPUC and the utilities.

Kindest Regards – Julee

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