



Sept 26, 2011

Via electronic submittal

Michael Waugh, Chief
Criteria Pollutants Branch
California Air Resources Board
1001 "I" Street
Sacramento, California 95812

RE: LCFS Principles 4, 5, 6, 7 for Biomass and Biofuel Production

On behalf of its 90,000 California members, The Wilderness Society (TWS) is writing to provide comments on the environmental sustainability principles the California Air Resources Board (ARB) is developing for biomass and biofuel production pursuant to the California Low Carbon Fuel Standard (LCFS). TWS commends ARB and its staff for their continued leadership in developing sustainable policies for reducing greenhouse gas emissions. Timely consideration of sustainability issues and the development and identification of methodologies for ensuring sustainability will be important in ensuring that California's landmark climate policies do not result in perverse environmental outcomes. Well-designed climate policies will help foster healthy and resilient communities, spur clean technology development, and maintain economic growth. We offer the following comments on the July 14, 2011 draft of LCFS Sustainability Principles 4, 5, 6, and 7 with respect to Biomass and Biofuel Production (the Principles) and offer our assistance to work with ARB on the recommendations we suggest.

Summary of Recommendations:

- 1) Adopt revisions to the Principles suggested on August 9, 2011 by the Natural Resources Defense Council (NRDC), with the further inclusion of language recognizing current federal renewable fuels law which makes eligible biomass from non-federal or tribal lands, but not from federal lands, for conversion to biofuels;***
- 2) Include additional language in the Principles that specifically recognizes the limitations of threshold concepts for purposes of natural resource management;***
- 3) Integrate and coordinate biomass sustainability efforts pursuant to the LCFS program with related efforts pursuant to other AB32 programs affecting biomass utilization***



such as the Renewable Portfolio Standard (RPS) and the Mandatory Reporting Rule (MRR) and cap-and-trade program; and

- 4) Provide further information with respect to the LCFS Sustainability Workgroup workplan beyond December 2011, including, among other things, a timeframe for possible development of environmental sustainability provisions related to any increased demand for natural gas extraction spurred by the LCFS program and further information about the workplan for assessing how environmental sustainability principles will be incorporated into the LCFS program.*

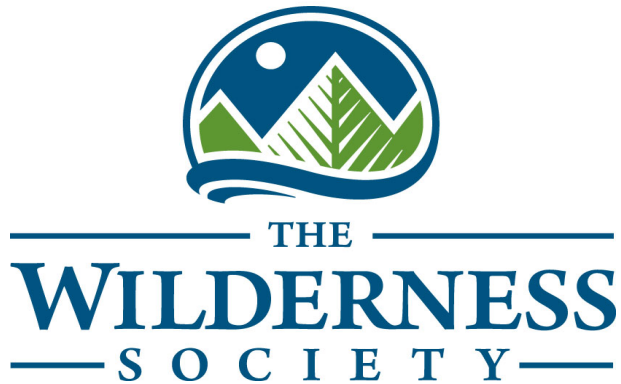
TWS requests the adoption of the revisions to the Principles suggested on August 9, 2011 by NRDC, with the further inclusion of language recognizing current federal renewable fuels law which makes eligible biomass from non-federal or tribal lands, but not from federal lands, for conversion to biofuels.

TWS supports the suggested revisions submitted on August 9, 2011 by NRDC, subject to the qualification in the succeeding paragraph. The revisions suggested by NRDC provide additions that are critical to ecologically robust Principles including ensuring that natural forests are not converted to plantations or simplified systems or non-forest uses; and ensuring that erosion, roads and other mechanical disturbances are minimized.

TWS recommends that Section 4.2 of the Principles make clear that the source of biomass for biofuels is constrained by the Energy Independence and Security Act of 2007 (EISA), as amended. Section 201(1)(I)(iv) of EISA excludes from eligibility for conversion to biofuels biomass harvest from federal lands.

TWS requests the inclusion of additional language in the Principles that specifically recognizes the limitations of threshold concepts for purposes of natural resource management.

Threshold concepts (e.g. designation of “degraded” lands) are increasingly being used in the context of natural resource management. While thresholds can be useful for prioritizing management and restoration areas, such concepts have limitations and reliance upon threshold concepts can result in environmentally undesirable outcomes. While grasslands that are not degraded and maintain native species composition should be “no-go areas” as described in the NRDC comment letter to the Principles on August 9, 2011, it does not follow that degraded grasslands should be presumed to be of low ecological value. Degraded lands often contain



important biodiversity and may be recoverable toward desired or healthy conditions via simple adjustments. Designation of an area as “degraded” may not adequately characterize the capacity of future ecosystem behavior and may encourage management decisions that result in the destruction or conversion of important natural resources.

TWS strongly urges ARB to integrate and coordinate biomass sustainability efforts pursuant to the LCFS program with related efforts pursuant to other AB32 programs affecting biomass utilization such as the Renewable Portfolio Standard (RPS) and the Mandatory Reporting Rule (MRR) and cap-and-trade program.

In order to adequately track impacts to forests caused by biomass utilization, it will be necessary to capture spatial data regarding the source of biomass feedstocks, among other things, and to analyze that data in connection with larger scale data (e.g. regional or forest scale data). The MRR will provide some relevant data for this analysis, and the analysis will be relevant to the LCFS program, the RPS program and the cap-and-trade program (although the cap-and-trade regulation, as currently drafted, presumes minimal carbon impacts from biomass utilization, it is not clear that this presumption will be borne out as the program is implemented). In order to streamline costs and ensure consistent methodologies and approaches, integration of efforts to ensure biomass sustainability across programs is warranted. Furthermore, other efforts to monitor impacts to forests, such as the adaptive management effort associated with the forest protocols in the cap-and-trade rule, will necessarily be utilizing very similar data sets and analyses which would thus provide additional efficiencies and cost-savings from coordinated sustainability efforts.

TWS asks that ARB provide further information with respect to the LCFS Sustainability Workgroup workplan beyond December 2011, including, among other things, a timeframe for possible development of environmental sustainability provisions related to any increased demand for natural gas extraction spurred by the LCFS program and further information about the workplan for assessing how environmental sustainability principles will be incorporated into the LCFS program.

TWS strongly commends ARB for its leadership in including indirect land use impacts in the design of the LCFS. TWS further commends ARB in addressing additional environmental sustainability issues through the development of the environmental sustainability principles for



biomass and biofuels. Timely and early implementation of sustainability measures for biomass and biofuels will provide much needed protection of forests and other natural resources. The additional development of environmental sustainability measures for other fuels types will also be important, but should not delay the implementation for biomass and biofuel related measures. TWS seeks further clarification from ARB regarding both the timeline for development of environmental sustainability measures for other fuels types and the timeline for assessing how the Principles for biomass and biofuels will be incorporated into the LCFS program.

Once again, TWS appreciates the hard work and leadership of ARB in developing and implementing comprehensive climate policies that will mitigate greenhouse gas emissions which threaten serious disruption of ecosystem services as well as species extinction. TWS also appreciates ARB efforts to ensure that California's climate policies promote sustainable stewardship of natural resources. We offer our assistance in working on the recommendations in this letter. If you have any questions, please contact Ann Chan at ann_chan@twc.org.

CC: Edie Chang – ARB Stationary Source Division