

October 1, 2013

TO: Task Force and Subcommittee Members

FROM: Carlos Ruiz *CR*

Response to "Teru's Trash Talk" dated September 30, 2013

The Task Force has been in support of Senate Bill 804 (SB 804), which was introduced by Senator Lara to the Legislature in February. On September 19, 2013, the Task Force sent a letter to Governor Brown requesting his signature on SB 804, and also sent a letter to all 88 Cities in L.A. County urging them to do the same, because it deemed SB 804 as an important first step in encouraging the development of conversion technologies in California to produce local biofuels from materials that would otherwise be wasted, providing significant environmental benefits.

We respectfully disagree with Mr. Theroux's opinion that SB 804 is a "botched scramble" for the following key reasons:

- SB 804 expands the definition of "biomass conversion" from one that exclusively allowed combustion to one that is inclusive of combustion AND non-combustion conversion technologies. This significant change allows cleaner and more efficient *non-combustion* conversion technologies to produce marketable products and fuels from this same limited category of organic materials. This provides clarity and regulatory stability to project developers. The article appears to place recycling, combustion, and conversion on the same plane. However, there are very important distinctions among these processes that need to be recognized (for example, some groups would like to equate conversion and incineration in order to kill conversion projects).
- SB 804 is a technology-neutral bill. This legislation provides parity for all non-combustion thermal, chemical or biological technologies when managing the same feedstock as biomass combustion facilities.
- Unlike AB 1126, which was strongly opposed by the Task Force, SB 804 provides the same level of incentives for biomass conversion technology facilities as current biomass combustion facilities (which enjoy diversion credit from landfill disposal as well as renewable energy credit for the electricity they generate), while placing no limitations on the size of the facility and including *reasonable* environmental safeguards. These key incentives have been a major factor in the lack of development of conversion technology facilities in CA to date.

The legislative process is often convoluted and the final result often involves compromise; however, Mr. Theroux seems to argue that because of the process, we should encourage the Governor to veto SB 804, despite it being the first piece of legislation to make progress for conversion technologies in California in many years!

A high level of stakeholder cooperation was achieved as this bill moved through both houses of the Legislature. The amendments accepted by the bill's sponsors, Los Angeles County and the California State Association of Counties (CSAC) reflect important agreements from key stakeholders, including key environmental committees in the State Assembly and Senate, State agencies, local air districts, the biomass industry, recycling industry, environmental groups, local governments and others. This stakeholder cooperation established a broad base of support for the bill as enrolled to the Governor.

We are optimistic that SB 804 is a first step towards establishing a permitting pathway for conversion technologies in California and appreciate the support of the Task Force and many other key stakeholders throughout the State. We hope the Governor will act on this support and sign SB 804.