

Biomass Power's key Role In California's RPS & GHG-Reduction Strategies

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California RPS 2002

IOUs: 13.5 % renewable in 2002

Statewide: ~ 10 % renewable

(most of renewables in CA went to IOUs)

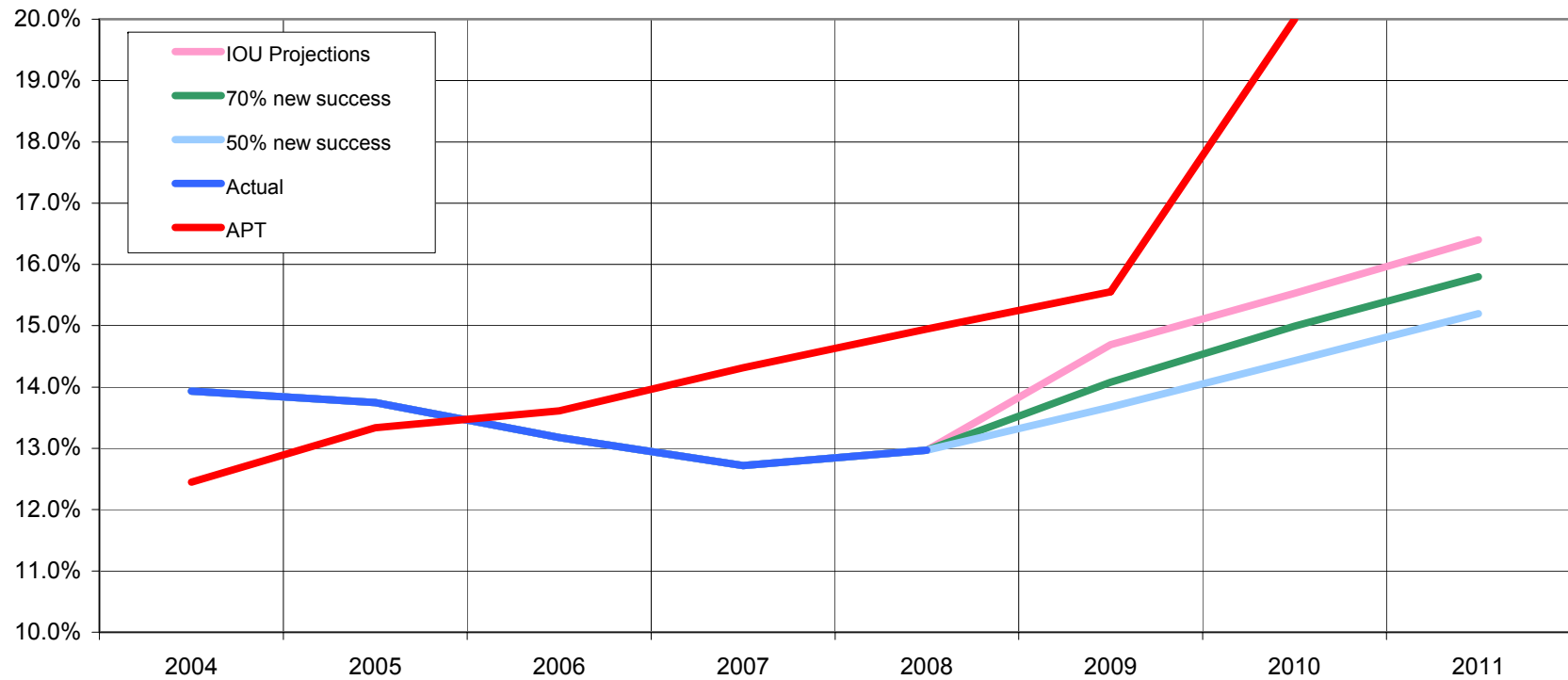
RPS Mandates

20 % statewide by 2010

33% statewide by 2020

Renewable Production to Triple

California RPS Progress (3 IOUs)



Executive Order S-06-06

**Maintain bioenergy
at 20% of RPS
portfolio**

Biomass and the RPS

22% in 2003 → 19% in 2008

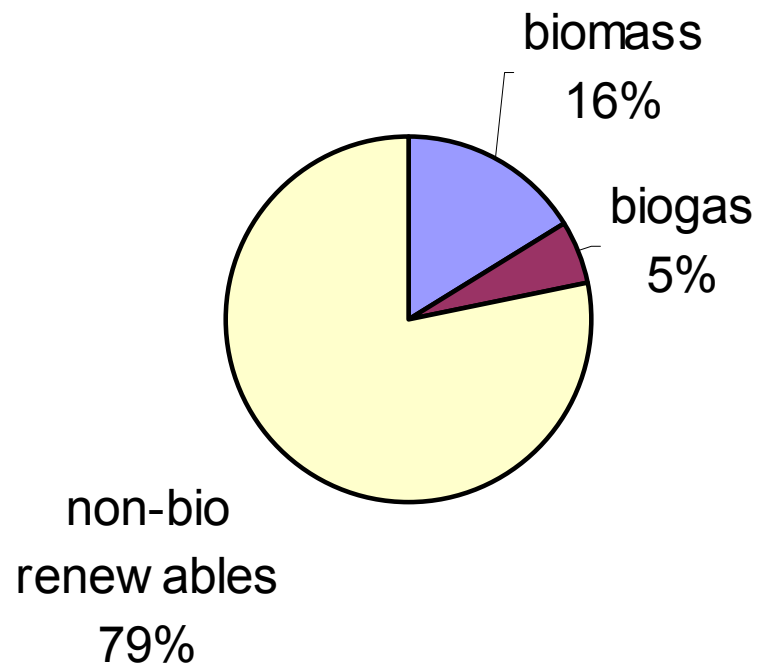
Renewables 03 – 08

Mandate: 43%

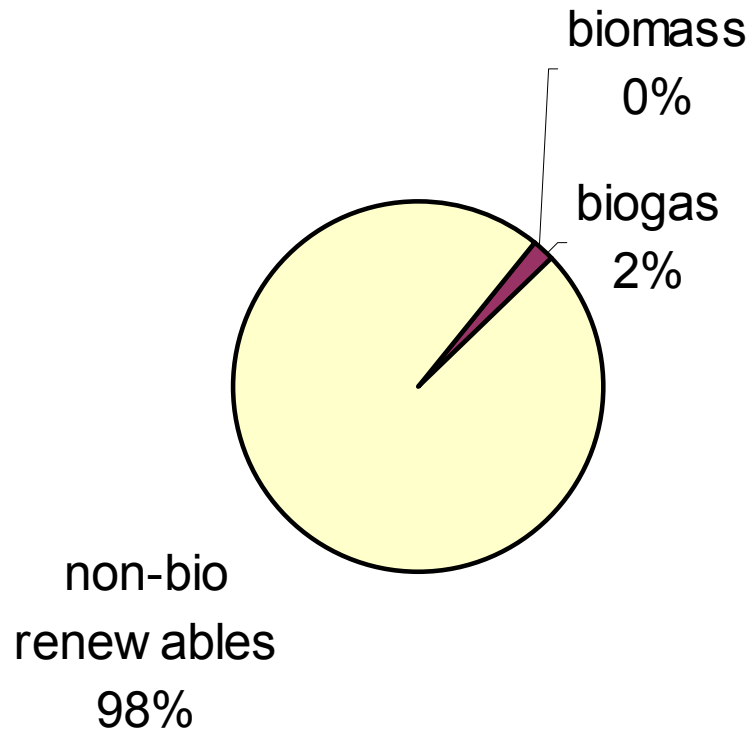
Actual: 3.4%

Biomass would be 14%

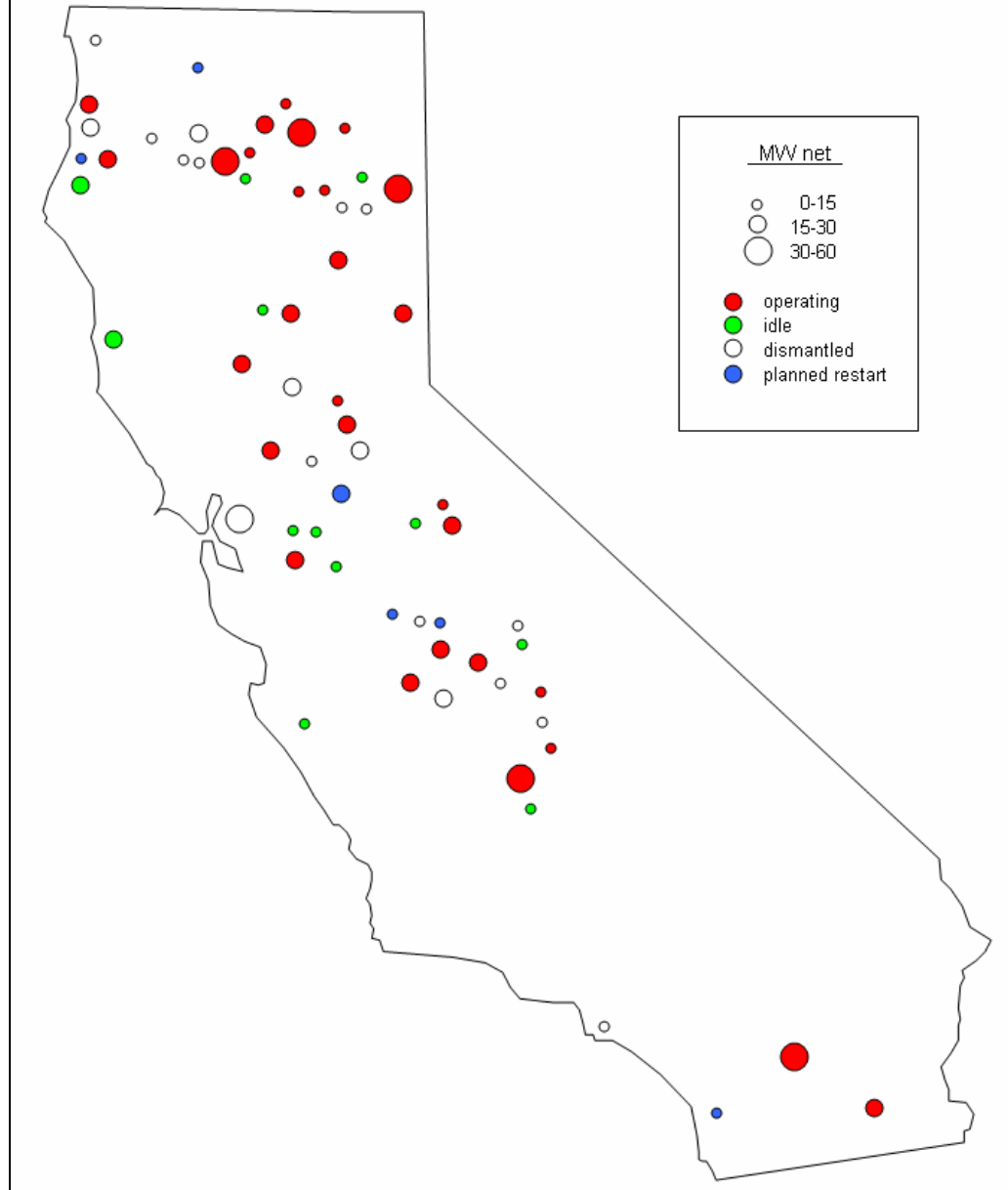
CA IOUs, Renewable Portfolio 2006



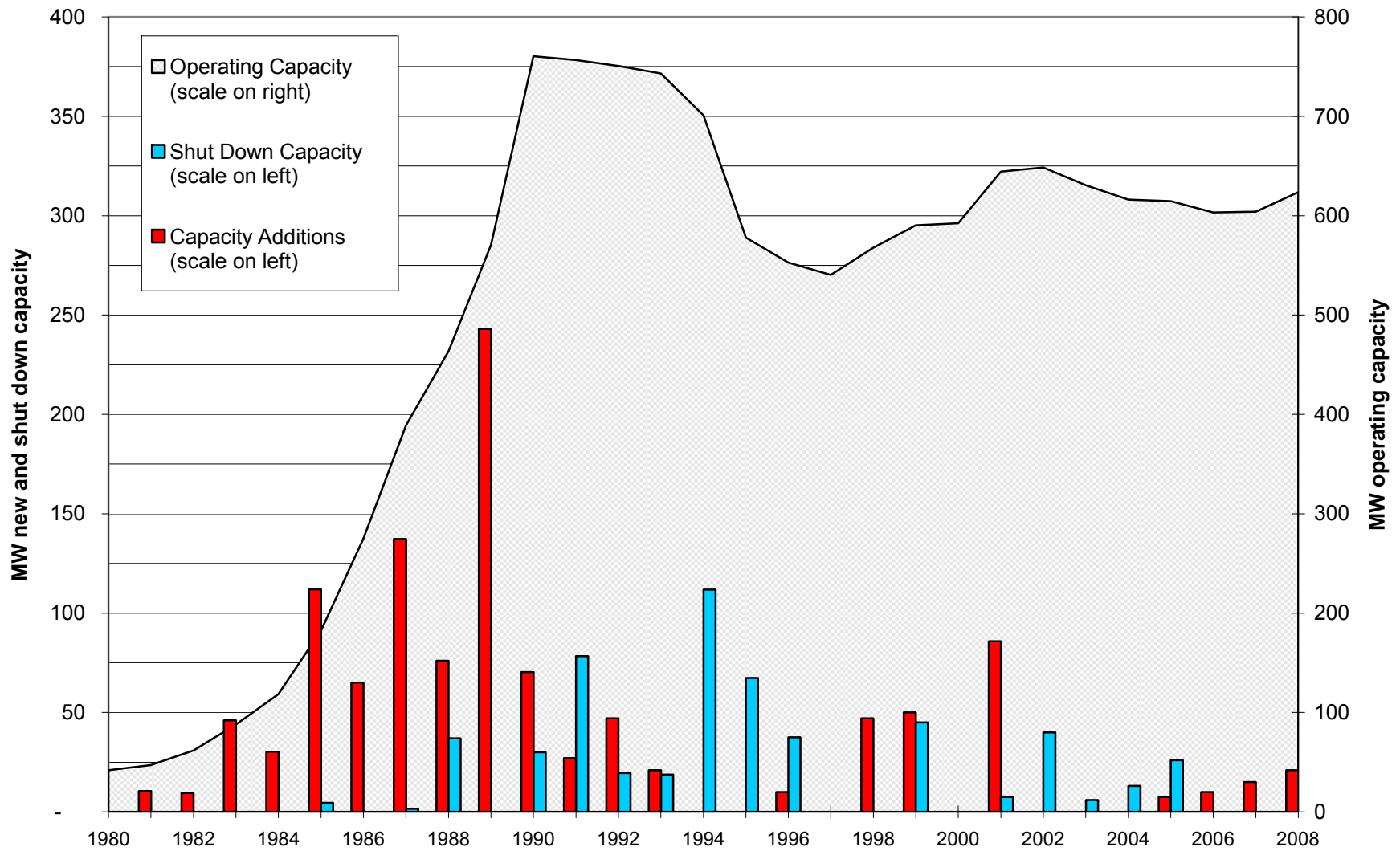
CA IOUs, Projected New Renewables 2006 – 2013



California Biomass Power plants 2008



California Biomass Power Capacity



The Essential Dilemma

Biomass Energy is expensive to produce.

Not producing energy from biomass is expensive, in terms of the health and environmental costs of alternative disposal of the fuel.

Renewables, RECs, & GHGs

All Renewables are Carbon Neutral.

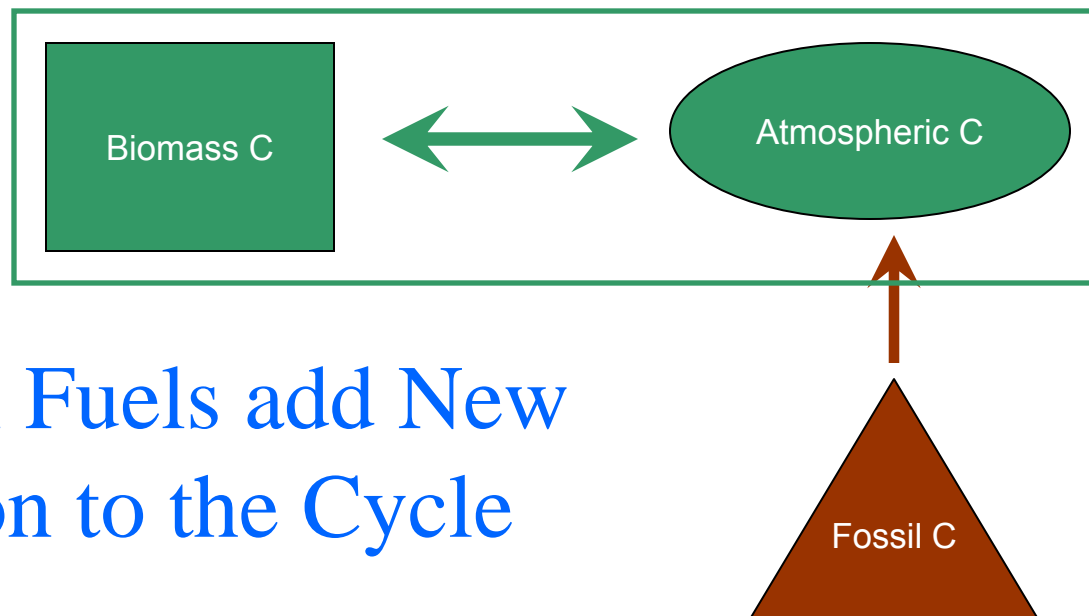
RECs contain the attribute of avoided fossil fuel use.

Renewables do not need allowances, and do not generate offsets based on avoided fossil fuel use outside of the REC.

GHGs and Biomass

- Biomass is Carbon Neutral

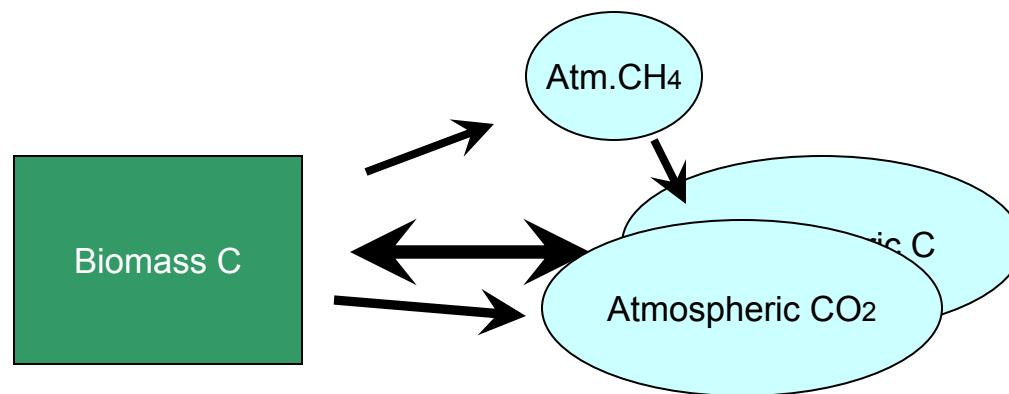
- Carbon stocks in the biosphere and atmosphere are already linked and in rapid exchange. No new carbon is being added to the system.



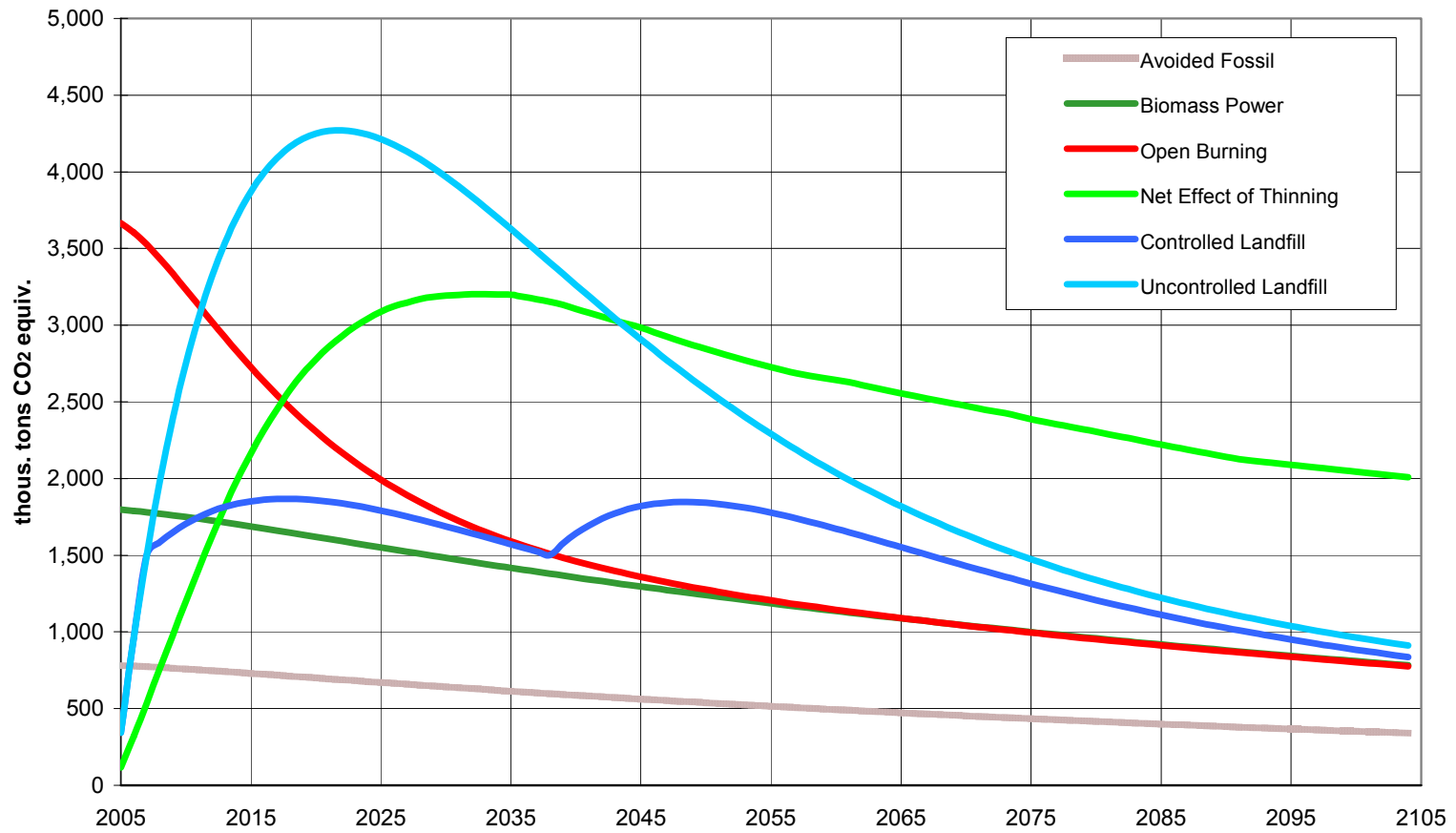
- Fossil Fuels add New Carbon to the Cycle

GHGs and Biomass

- It's More Complicated than that
 - Biomass stocks can grow or decline over time, either sequestering or releasing net carbon to the atmospheric stock.
 - Carbon can be emitted to the atmosphere in either oxidized (CO_2) or reduced (CH_4) form. Reduced is 25 times more potent as a greenhouse gas.



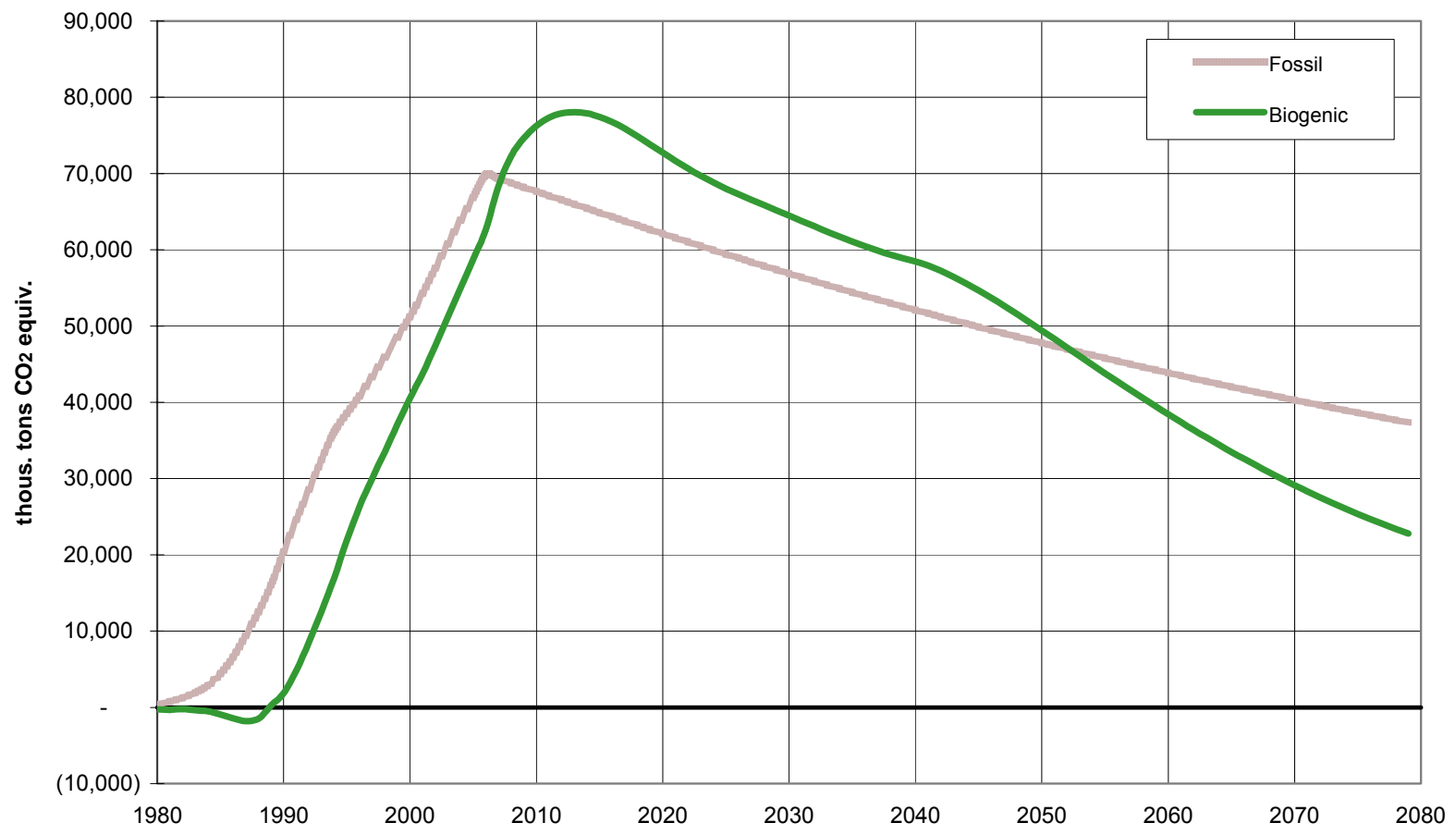
GHG Burden associated with the Disposal of 1 million bdt of Biomass



Greenhouse Gas Emissions Factors for Biomass and Biogas
 (all factors expressed as equivalent year-1 emissions of CO₂ equivalents)

	<u>ton/bdt</u>	<u>ton/bil.btu</u>	<u>ton/MWh</u>
Biomass			
Net Reduction in Biogenic C			
Open Burning	0.62	36	0.62
Forest Accumulation	1.87	110	1.87
Uncontrolled Landfill	2.28	134	2.28
Controlled Landfill	0.27	16	0.27
Spreading	0.69	41	0.69
Composting	1.00	59	1.00
Kiln Boiler / Fireplaces	0.22	13	0.22
California Biomass Mix 2005	0.81	48	0.81
Avoided Fossil Fuel Use	0.80	47	0.80
Landfill Gas (LFG)			
Net Reduction in Biogenic C			
Uncontrolled Landfill		241	2.89
Controlled Landfill		22	0.26
Avoided Fossil Fuel Use		65	0.78
Dairy Manure			
Net Reduction in Biogenic C	2.88	180	8.64
Avoided Fossil Fuel Use	0.26	16	0.78

GHG Benefit from Operations of the CA Biomass Industry, 1980 - 2006



Next Steps - RPS

Implement program to achieve EO S-06-06 targets in the RPS program (bioenergy @ 20% of renewables).

- Continued support for existing facilities
- Bioenergy band within RPS
- General credit for bioenergy
- Targeted credits for specific biomass fuels (e.g. forest fuels, agricultural residues)

Next Steps - GHGs

Ensure that bioenergy is given proper treatment in the state's developing ghg programs

- California rules reserve the benefits beyond the REC for the generator
- The next big step is formulating the rules for ghg credits from biomass
- Credits tradable in robust market