



**California State Association of Counties
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**Regional Council of Rural Counties
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July 14, 2010

The Honorable Barbara Boxer
Chairwoman
Committee on Environment and Public Works
410 Dirksen Senate Office Building
Washington, DC 20510

Dear Chairwoman Boxer:

On behalf of the California State Association of Counties (CSAC) and the Regional Council of Rural Counties (RCRC), we write to respectfully request that you consider the following important issues as the Senate prepares to consider clean energy and climate change legislation. Specifically, we urge you to ensure that the widest possible range of renewable energy sources, including biomass, hydropower, and post-recycled municipal solid waste, would qualify as resources to help California meet its renewable energy goals.

As you know, California has been a leader in promoting the development of renewable energy technology and has adopted an aggressive Renewable Portfolio Standard (RPS). In 2002, the California Legislature approved legislation that required Investor-Owned Utilities to increase their percentage of qualifying, non-hydro renewable energy by one percent per year so that renewables will comprise 20 percent of their total portfolio by 2017. In 2006, legislation was approved that accelerated that deadline to 2010.

In order to help California achieve its renewable energy objectives, CSAC and RCRC urge the Senate to adopt the broadest possible definition of renewable biomass. Currently in California, biomass, as an energy source, represents 560 megawatts (MW) of power, or only roughly two percent of the total power generated in the state. This power is produced by 33 biomass facilities, down from 62 biomass plants that once generated 1,000 MW at the peak of biomass production in California in the early 1990s. The state's original goal was a total production of 2,500 MW from a combination of sources, including forest, agriculture and municipal waste. With a stronger focus on biomass in the RPS, the biomass industry in California could be dramatically improved.

CSAC and RCRC believe it is appropriate to recognize biomass from all forest types and ownerships, including federal land management projects and operations that are in conformance with all applicable federal laws to allow for the greatest possible climate, forest

health and wildlife benefits. Whatever definition is ultimately used for the RPS, we encourage that it includes the widest possible range of materials, including all possible agricultural, forest, and scrubland (such as chaparral) products.

It should be noted that sound forest management and agricultural practices not only provide biomass for energy, they also improve the overall carbon footprint of domestic energy supplies while contributing to long-term forest health and vitality – improving wildlife habitat, enhancing water quality and quantity, and reducing catastrophic wildfires that emit millions of tons of carbon dioxide and other greenhouse gases each year. Additionally, the proper utilization of renewable biomass to meet energy needs will provide significant economic and environmental benefits to our state while at the same time bringing timely aid to struggling economies.

Another key issue for California is hydropower. Many rural counties in our state, and throughout the country, rely heavily if not exclusively, on the use of hydroelectric power. As you may be aware, under the American Clean Energy Act of 2009 (S. 1462), qualified hydropower would be limited to incremental hydropower, energy efficiency gained from existing facilities, or energy generated by hydroelectric facilities installed on currently non-power-producing dam sites. This proposed limitation would restrict a large sector of clean and abundant renewable energy and could inhibit the ultimate goal of reduced dependence on foreign sources of energy. Additionally, the requirement to maintain the existing water level of non-power-producing dam sites is too restrictive. Many dam sites could have the water level raised with minimal or no further environmental concerns, which could in turn give them a greater power-generating potential. Accordingly, we recommend that S 1462's definition of qualified hydropower be broadened to include all existing and newly built hydroelectric generation of any size.

Additionally, our members are pleased that S. 1462, as approved by the Senate Energy and Natural Resources Committee, includes municipal solid waste as a qualified renewable energy source. The utilization of this source of power, and specifically post-recycled municipal solid waste, could incentivize greater research and development of technologies that could more efficiently convert solid waste into energy.

On a related matter, CSAC and RCRC urge you to include resources for the Energy Efficiency and Conservation Block Grant (EECBG) program as part of any energy bill or climate change legislation. As you know, counties in California are utilizing EECBG funding provided through the American Recovery and Reinvestment Act to implement greenhouse gas reduction and energy efficiency programs and projects. However, this important work cannot continue without additional federal support due to the difficult fiscal conditions that California's local governments are facing because of our State's financial crisis.

We are strongly supportive of provisions of your climate change bill (S. 1733) that would provide a percentage of emissions allowance allocations to local governments to implement activities under the EECBG. CSAC and RCRC also support S. 1733's requirement that a percentage of emissions allowance proceeds be distributed for transit programs; water system mitigation; flood control and response; recycling programs; programs to mitigate adverse impacts on agriculture and ranching; and, programs addressing air pollution and air quality.

The California Air Resources Board (CARB) is working very closely with stakeholders and the Western Climate Initiative (WCI) to craft a cap-and-trade program to meet the goals set forth in the Global Warming Solutions Act (AB 32) of 2006. CARB is already requiring industries to begin reporting, and will implement the cap-and-trade program in 2012. Furthermore, the California Transportation Commission (CTC), in conjunction with CARB, continue to develop regional emission reduction targets for the transportation and housing sectors as called for in SB 375 (Steinberg) of 2008. To that end, many state, local and not-for-profit agencies are in the process of developing, or have already initiated climate change-related programs. As the Senate continues to debate the development of a nationwide Greenhouse Gas Reduction (GHG) program, we strongly urge you to support language to grandfather in existing climate policies and not preempt our existing standards with a one-size-fits-all federal mandate.

Specifically, regarding the creation of a possible federal cap-and-trade program, we urge you to support the inclusion of an offset credit program similar to the one outlined in the recent Kerry – Lieberman American Power Act discussion draft. We believe that the cap-and-trade program outlined in the draft is a workable plan that allows offset credits for projects in landfills, forests, and other sectors that are beneficial to counties. We believe that offsets are a vital component to the success of a cap-and-trade program because it would encourage uncapped sectors to go above and beyond business-as-usual and further contribute to the overall emissions reductions achieved by cap-and-trade. We encourage the Senate to continue to keep this flexibility and broad-based approach to any final cap-and-trade program included in climate change legislation.

Finally, CSAC and RCRC support proposals to aid in the development of “clean energy” jobs. In fact, we believe that a program included in the Kerry-Lieberman draft regarding clean energy career development could be very beneficial to those counties that have been hit particularly hard by the economic downturn. Many of these counties were already struggling due to job losses from the decline of the forestry industry, and have been virtually bankrupted by the current economic climate. The development of grants, training programs, and job creation in the green energy sector could be of great assistance to the economic recovery of these hard hit areas.

As representatives of California local government, we look forward to working with you to help craft this important legislation. Should you have any questions regarding our position or would like additional information, please contact Karen Keene, CSAC Director of Federal Affairs at (916) 327-7500 ext. 511 or Melissa White, RCRC Federal Affairs Coordinator at (916) 447-4806.

Sincerely,



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Deputy Director, Federal Affairs



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