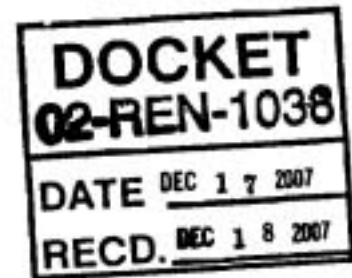


December 17, 2007

California Energy Commission
Re: Docket No. 02-REN-1038
Docket Unit, MS-4
1516 Ninth Street
Sacramento, CA 95814-5504



Dear Renewables Committees Members:

The California Biomass Energy Alliance, which is comprised of 850 MWs of existing solid-fuel biomass and solar thermal generating facilities, would like to provide the following comments on the proposed revisions to the Existing Account Guidebook. These comments should be taken together with our testimony at the December 13th Renewables Committee Workshop.

Specific Guidebook Changes

- Questions 7 ask for the target price that each facility is requesting, but then proceeds to require an explanation that is repeated differently in Question 11. CBEA suggests deleting the second sentence in Question 7 as it is already more clearly stated in Question 11.
- Questions 9 should be more clearly linked to Questions 7 and 8. It may be restated as follows: "Based on your responses to 7 and 8, what is then the estimate of the total amount of ERFP funding needed for the calendar year for which the facility is applying. . . ."
- The last sentence in Question 11 should be amended to read: ", *maintain* and/or produce additional generation . . ." since preserving the existing base of generation is just as important to the state's RPS goals as is the increase in renewable generation. It is quite possible that award funds could be used to procure, maintain, or repair equipment needed simply to maintain historic generation capacity.
- There appears to be some disconnect between Questions 11 and 12. Question 11 makes clear that funds could be used for projects that make a facility self sustaining and/or increase generation. Question 12 however focuses solely on increasing generation which may or may not have been the purpose of the funds awarded. CBEA suggests deleting this first sentence of Question 12, and ask how the previous year's funds were spent without presuming they were to increase generation.
- Additionally, in Question 12, the last two sentences ask the same question two different ways. Since this is an important question to explore with applicants, it should be asked once as a stand alone question.
- Question 13 should make clear that the funds also can be used to maintain the facility's capacity factor and generation. Again, losing renewable generation is what this program wants to avoid.

Quantitative Measurements

CBEA believes your documentation request is currently sufficient to evaluate a facility's need for the requested funding award. As always, we are available to staff to provide technical support on any documents that are requested if there are questions about the use of those documents.

Fuel Attestations

The current guidebook asks applicants to provide biomass fuel usage for the previous calendar year and additionally asks that each individual fuel supplier attest to this information (C. Withholding Payments, p 14). This is an issue that was brought up during the development of the Guidebook earlier this year but put aside due to time constraints. As we mentioned earlier in this process, this information from both the biomass facilities and the fuel suppliers would be unnecessarily duplicative and over burdensome. First, each of the facilities survives by knowing what kind of fuel is coming to their plants and from where it was derived to ensure proper operation of the plant. Regardless of the fuel type, facility operators regularly and frequently visit fuel source sites such as orchards, transfer stations, and the forest operations to ensure suppliers are holding to the types and quality contracted for. Further, each plant visits and inspects the suppliers' grinding yards, where both the raw waste wood and the processed fuel chips are inspected for acceptability. Because it is easy to check-up on them, a supplier has nothing to gain by misleading a facility as to where the fuel is coming from. Many plants already have to track this information for their local governments which require no more than the individual plant attestations.

Second, facilities have many fuel suppliers; most have dozens, and some have over one hundred. Knowing these fuel suppliers as we do, it is unrealistic to expect full cooperation from every single supplier that comes through the gates. In fact, the mere request for a supplier to get involved with this process will only raise questions on their part, possibly raising our fuel prices.

Every plant knows where their fuel is coming from because it is essential to the operation of the plant, and our reporting and attesting to that information should satisfy the fuel reporting requirement for this program. We respectfully ask the individual fuel supplier attestation be deleted from the Guidebook.

Thank you for your consideration of these comments.

Sincerely,



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**CC: Jason Orta
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