

SOAH DOCKET NO. 582-25-08210
TCEQ DOCKET NO. 2024-1222-MSW-E

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| EXECUTIVE DIRECTOR OF THE TEXAS | § | BEFORE THE |
| COMMISSION ON ENVIRONMENTAL | § | |
| QUALITY, | § | STATE OFFICE OF |
| Petitioner | § | |
| | § | |
| VS. | § | ADMINISTRATIVE |
| | § | HEARINGS |
| | § | |
| CARBON SEQUESTRATION, INC., | § | |
| Respondent | § | |

AFFIDAVIT OF JAMES L. GOODING

BEFORE ME, the undersigned authority, on this day personally appeared James L. Gooding, known to me to be the person whose name is subscribed to the following instrument, and having been duly sworn, stated upon oath the following:

1. My name is James L. Gooding. I am over the age of 18, of sound mind, and competent to make this affidavit. I have personal knowledge of the facts stated herein, which are true and correct.

2. I am an interdisciplinary geoscientist with a Bachelor of Science in chemistry, a Master of Science in environmental chemistry, and a Ph.D. in geology. I have worked in government service and the private sector since 1979, with extensive experience in carbon lifecycle analyses, environmental impact assessments, and underground storage operations. In 2023, I published a peer-reviewed paper regarding geologic constraints on terrestrial storage of biomass as a carbon sequestration method.

3. I was qualified as an expert witness in carbon lifecycle and geotechnical analyses, carbon markets, and wood burial during the administrative hearing for SOAH Docket No.

582-25-08210 (TCEQ Docket No. 2024-1222-MSW-E), held on October 16, 2025, before ALJ Whitney L. Stuebner. I testified on behalf of Respondent Carbon Sequestration, Inc. ("CSI").

4. During the hearing (HOM Part 2; approximately 2:46:30), I was asked whether the waste wood used at CSI's facility substitutes any raw or virgin material in the production of a CORC. I responded "No." The PFD relied on this statement in Finding of Fact No. 18, which states: "Wood waste used in connection with the sale of CORCs does not substitute any raw or virgin material."

5. I make this affidavit to clarify and supplement that testimony. My response was given in the context of a question I understood narrowly as applying to CSI's specific use of waste wood at its Hardin County Facility—i.e., whether the particular waste wood CSI received from generators displaced a specific virgin input in the issuance of that particular CORC. I interpreted the question as asking about CSI's own feedstock, not about the broader universe of feedstocks eligible for CORC production under the Puro.earth TSB Methodology.

6. Upon further review, I recognize that my response was incomplete and does not fully reflect the Puro.earth TSB Methodology (Edition 2023 v.1, issued November 2023; admitted at hearing as ED Ex. 15 and CSI Ex. G). The TSB Methodology is not limited to waste-derived biomass. It defines "Eligible biomass" as lignocellulosic biomass ("LCB") with a rigid structure, high lignin content, and a carbon-to-nitrogen ratio of at least 80—described as, "in simple terms...trees and hard stemmed, lignin rich plants." This version of the Methodology focuses on "naturally durable biomass" and treats woody plants as a primary feedstock class.

7. The TSB Methodology explicitly allows biomass from non-waste, virgin sources, including:

- a. Managed Forests: "trunks, stumps, branches, tops, thinning, fire prevention wood, wood chips, shavings, or sawdust from wood processing" from forests managed for materials or energy. This encompasses virgin timber sources, including merchantable wood from managed forests under oversupply conditions (TSB Methodology, p. 22).
- b. Natural Forests: salvaged wood from fire risk mitigation or restoration—representing virgin forest biomass that would otherwise remain at risk or be burned (TSB Methodology, p. 23).
- c. Purpose-grown on non-forest land: "cultivation on marginal land or agricultural land with low productivity" as part of land restoration activity. This expressly contemplates purpose-grown virgin biomass, such as carbon farming initiatives on marginal land (TSB Methodology, p. 23).
- d. Land clearing in construction projects: "economically unusable fractions" of cleared timber (TSB Methodology, p. 24).

8. These provisions demonstrate that TSB projects can and do utilize virgin biomass. "Virgin material" is defined under Texas law as "a raw material used in manufacturing that has not yet become a product." Tex. Health & Safety Code § 361.421(11). Woody LCB from managed forests, natural forests, or purpose-grown crops that has not yet been processed into a downstream product plainly qualifies as virgin material under this definition.

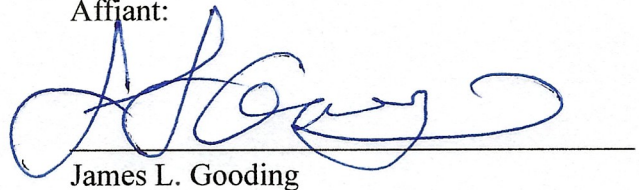
9. The TSB Methodology's allowance for virgin biomass sources means that TSB processes can and do replace virgin materials by diverting them into long-term sequestration rather than other uses (e.g., energy production, manufacturing, or combustion for land clearing). When a CORC is produced using eligible virgin biomass, the CORC is a "product which may

otherwise be produced using raw or virgin materials" within the meaning of Tex. Health & Safety Code § 361.421(5). Conversely, when a CORC is produced using waste wood—as CSI does—the waste wood substitutes for the virgin biomass that could otherwise be used, fulfilling the statutory substitution requirement.

10. Therefore, any prior suggestion in my testimony that TSB materials or processes "do not involve or replace virgin materials" was incomplete and is hereby corrected. The Puro.earth TSB Methodology explicitly permits and contemplates the use of virgin biomass—whether from managed forests, natural forests, purpose-grown plantations, or agricultural crops. CSI's use of waste wood in lieu of these eligible virgin sources satisfies the statutory requirement that recyclable material be "consistently used in the manufacture of products which may otherwise be produced using raw or virgin materials."


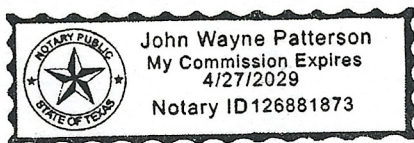
11. This affidavit is made in good faith to clarify and supplement the record in the above-referenced proceeding. I am available to provide further testimony if required by the Commission.

Affiant:



James L. Gooding

SUBSCRIBED AND SWORN TO before me by **JAMES L. GOODING**, this 23 day of February 2026, to certify which witnesses my hand and seal of office.



Notary Public, State of Texas