

Cal FRAME Kickoff Meeting Brief

June 1st, 2022 10am-3pm at the Turtle Bay Exploration Park Center, Redding, CA

Brief

- Presentations were made summarizing the Governor’s Office of Planning and Research (OPR) Cal FRAME program and the NE CA pilot project, and highlighting the need for the biomass feedstock utilization.
- The group participated in a question-and-answer session.

Action Items

Actions	Responsible Parties
Fall River RCD Team to distribute kick-off meeting brief, and presentations.	Regine Miller
Fall River RCD Team to put out a call for volunteers for Market Impact Assessment questionnaire and evaluation of potential organization structures in Q3 2022.	Regine Miller

Program Overview – Michael Maguire

Michael Maguire from the Governor’s Office of Planning and Research (OPR) reviewed the history and motive for funding the five pilot projects throughout California. Based on a number of working group recommendations over the last several years, trying to overcome long-term feedstock contracting is one of the greatest challenges to building a wood utilization market. The five regional pilot projects include: (1) Northeast Sierra Nevada led by Fall River RCD, (2) the Central Sierra led by the Placer Counter Water Agency, (3) the Southern Sierra led by the Sierra Business Council, (4) the North Coast led by the North Coast Resource Partnership, and (5) Marin County led by the Marin Wildfire Prevention Authority. OPR is also in the process of working with Cal Polytechnic San Luis Obispo and Amazon Webtools to develop a feedstock market place tool based on Schatz Energy Research Center’s C-BREC environmental analysis tool, and the UC Davis feedstock tool. OPR is in the process of establishing Cal FRAME website.

Regional Interest in Forest Health

Mathew Pontes of Shasta County spoke to the evolution of funding allocations from FEMA redevelopment and insurance claims to support community resilience after a disaster. In the early 2000s there was very little interest in redeveloping for community resilience. Today, it is clear that resilience is being prioritized. However, with the unique timber market advantage that Northern California has compared to the rest of the state, it would be in the region’s best interest to establish new and innovative partnerships to address the mutual issue of wildfire risk.

NE CA Pilot Project Overview

The Fall River RCD project team introduced the concept to establish a new regional wood aggregation entity. The new entity will not regulate, will not cost individuals/businesses anything, will not displace existing businesses, and is voluntary.

Wildland Urban Interface (WUI)

Alex Carter, Director of Land Management at the McConnell Foundation, described the history of fire response and active management in the region over the last century. Despite the efforts to maintain fire on the landscape during the early 1900s, fire exclusion starting in 1897 around Coffee Creek has led to increases in fire size and intensity. We now need to remove 100 years of growth and what are we going to do with the wood?

Nick Rossow, Assistant Director of the Redding Electric Utility (REU), presented on the City of Redding's plans to update their Integrated Resource Plan. The Plan ensures REU meets renewable, carbon-reduction goals set by the State as defined by SB 100. SB 100 states that 60% of the energy portfolio for REU needs to be renewable by 2030 (includes biomass/biowaste) and 100% carbon free by 2045. Redding will need over 380,000 MWh of renewable energy each year starting 2030. They currently own and operate a 187 MW gas generation plant which they believe they can convert to renewable natural gas. They will soon be conducting an assessment to define options to utilize forest biomass as feedstock.

There were several questions regarding resource procurement decision making and how they will define feedstock selection. The City of Redding is still having internal discussions on how to best investigate and achieve 2030 goals.

Wildlands

Helena Murray, Wood and Biomass Utilization Specialist for the Forest Service Region 5 office, spoke briefly on Region 5's support for biomass utilization and emphasized the scale of the problem at hand. She also spoke to Region 5's commitment to action with the recent MOU they signed with the State of California to treat a combined 1 million acres of forest per year between state and federal lands starting 2025. Several other Forest Service staff officers of the Modoc, Lassen and Shasta-Trinity National Forests also spoke on the condition of their forests and the benefit of having partners like the Fall River RCD build capacity to manage projects on federal land. The Modoc NF emphasized that their biggest roadblock to getting more acres treated is the staff capacity to complete more environmental review.

Todd Sloat, Project Manager for the Fall River and Pit RCDs, spoke to the need for more partners to support additional treatment on federal lands through collaboration tools. Market availability for biomass and environmental review services are two limiting factors to increasing treatment levels.

Pilot Project Details

Fall River RCD Project team presented details of the OPR pilot project tasks including:

- Task 3 Market Impact Assessment
 - A regional biomass supply assessment, including economic and market validation
- Task 4 Selection of Organization Structure
 - How can voluntary parties combine efforts to maximize implementation and wood utilization, while minimizing red tape?
- Task 5 Entity Action Plan
 - Integrate findings from all tasks, and:
 - Identify and secure partnerships with landowners, existing and future businesses
 - Improve NEPA/CEQA compliance processes to increase project implementation outcomes

- Conduct educational programs
 - Recommend a budget for new entity formation
- Task 6 Long Term Objectives Plan
 - Align existing long term planning efforts with Cal FRAME objectives

After the presentation, members of the private industry gave their perspectives on how Cal FRAME may impact the sector and identified gaps where more attention is needed, including:

- Tubit Enterprises – Concerned about the rising costs of operations due to inflation of diesel. Where can we put the money at, and can we put a better value for the feedstock so that it can come back to the contractors? Does this all put a higher value for contractors? Doesn't have to be stump value.
- W.M. Beaty and Associates – there is a lot more than just “biomass” that has to come out. There are a lot of small trees (18-26” DBH trees) that have to be removed too. The State has to really promote mass timber construction. We need a mandate for mass timber. Market demand for products come first, then infrastructure.
- SPI – how is Cal FRAME going to change what we already know the challenges that are present? Limited infrastructure, fuel prices, PGE opposition; yet we have so much wood that we can't even utilize what we produce now? What is Cal FRAME doing what the RCDs aren't already trying to do?
- Collins Pine – what to do with the burned material on the ground? Especially as recovery and reforestation efforts will be more required moving into the future, those trees need to come down before anything else happens.
- Allotrope – supports the potential for Cal FRAME to help reduce risk and increase certainty of forest biomass waste streams. There is demand for this material already, the biggest barrier is convincing lenders that the feedstock can be secured over a long-term contract period.

Questions and Answers

- How do we define biomass/feedstock?
 - a. It is up to us to define. Could be up to a certain size or can be conventional definitions? AB 278 has a biomass definition – “waste residuals from forest activity”.
- How does the ag corridor hydrogen project interface with this project?
 - a. It would be great if it did and we can assume that they will probably need long term contracts.
 - b. SPI – they have phenomenal biomass co-generation facilities, but what is unknown is the contract length of PGE or other small landowners. What would solve a lot of unknowns, and why we don't see more co-generations being built is because feedstock certainty. It took 8 years with all- hands-on-deck pushing to get their co-gen facilities developed. The unknown of contracts is the biggest hurdle – you need the weight of convening authorities to support the effort of contract management.
- Can Cal FRAME help with homeowner's insurance?
 - a. The southern Sierra pilot project is examining this issue which we can leverage for NE CA pilot. In short, Cal FRAME may be able to help establish certifications for enabling reduced insurance.

- Why is there resistance along the right of way and how will this impact Cal FRAME?
 - a. Ben Rowe, CAL FIRE -- Utility lines do not follow good fire response fuel breaks.
- Will Cal FRAME look at the workforce challenge?
 - a. The market impact assessment will brief cover the topic of workforce, but it will not be the focus of the research
 - b. Becky Roe, Chair of the Work Force and Forest Resilience Task Force – if you can't move the product from point a to point b then projects will be limited. Workforce needs to be developed, and how do we reach out to the densely populated areas with a huge population that is disconnected to what the forest is and what it provides? Even if you capture their hearts and minds, where do they live? This is a very complicated subject. Cal FRAME could potentially provide insurance for newly trained drivers.
 - c. Jill Drinkwater, GoBiz -- Workforce and training panel is a program that offers dollar for dollar match for training to businesses.
 - d. Will Cal FRAME address workforce housing?
 - i. Cal FRAME will not deal with land use or housing development but it can operate as a vehicle to discuss the larger issue of housing for workforce development in connection to forest sector needs. This will need more attention and discussion.
- How do you ensure 12-month supply?
 - a. Depends on what they need, feedstock supply yard could be discussed if the community wants
- CalOES -- How can biomass producers support community recovery? Can we help to promote USFS active management?
 - a. What is the disaster specific response/engagement evaluated for this group?
 - b. CalOES is very interested in seeing the progress with Cal FRAME especially as a central authority to coordinate disaster management
 - c. There needs to be more projects that coordinating, represent, and support active management for parcelized private landowners
- General response to price volatility
 - a. There is a lack of predictability with these issues and yet our best tool right now is insurance and decreasing risk/increasing certainty?
- General response to expanding the pilot project scope of work to incorporate sawlogs (18-24" DBH)
 - a. Not the primary focus at the moment, but could include if the region wants to. There are some programmatic complications with this requirement in other directives, however, Cal FRAME has no stipulations at the moment. This could be investigated if the region sees it as advantageous.
- GoBiz – site selection services to locate in the state
 - a. Global interest has been wanting to locate in the North State over the last several months to help drive demand for this material. All this demand is available if the supply chain can increase certainty in getting the material to the new developers.

Meeting Participants

Person	Affiliation
Alex Carter	McConnell Foundation
Amy Harrison-Smith	Modoc National Forest
Becky Roe	Shasta College
Benjamin Rowe	CALFIRE, Shasta-Trinity
Bob Hambrecht	Anderson Biomass Depot
Bruce Goines	The Watershed Center
Chad Arseneau	Sierra Pacific Industries
Christiana Darlington	CLERE Inc.
Clarke Stevenson	CLERE Inc.
Don Martin	Fall River RCD
Doug Lindgren	Tubit Enterprises
Frank Heidi	Lassen National Forest, Susanville RD
Galen Smith	Collins Pine
Georges Merceron	Cal OES
Greg Wolfen	Pit River Tribe
Heidi Rogers	BLM, Redding
Helen Murray	Forest Service, Region 5
Jeff Oldson	Burney Forest Products
Jeff Pudlicki	W.M. Beaty & Associates
Jess Paoli	BLM, Redding
Jill Drinkwater	Go Biz
Julie Allen	Fall River RCD
Justin Britton	CALFIRE, Climate and Energy
Keli McElroy	Shasta-Trinity National Forest
Kristy Coughlin	Sierra Pacific Industries
Kyle Willard	Shasta County Air Quality Management District
Laney Martin	Fall River RCD
Lorissa Soriano	Modoc RCD
Matt Pontes	Shasta County
Maureen Tuebert	Western Shasta RCD
Michael Maguire	OPR
Mila Hadley	Modoc FSC
Milton Stubbs	Modoc National Forest
Neil Goule	ENG Logging
Nick Rossow	City of Redding, Redding Electric Utility
Ravi Dutta	Cal OES
Regine Miller	Headwaters Environmental
Robin Wall	Lassen National Forest, Hat Creek RD
Ryan Hadley	Sierra Pacific Industries
Scott Packwood	CAL FIRE, Lassen-Modoc Unit
Sharmie Stevenson	Fall River and Pit RCDs
Todd Johnson	Shasta-Trinity National Forest
Todd Jones	Shasta Economic Development Corporation

Todd Sloat	Forest Creek Restoration, Fall River and Pit RCDs Project Manager
Tuli Potts	Sierra Nevada Conservancy
Zane Peterson	Peterson Timber