



Northeastern California Forest Residual Aggregation Market Enhancement (Cal FRAME) Pilot Project



Project Lead: Fall River and Pit Resource Conservation Districts (RCDs)

Northeastern CA—including Shasta and Modoc Counties, with small portions of Siskiyou and Lassen—has a mature economy to sustainably manage the surrounding forests with the objectives of fuel reduction and fire resilience. However, expanding these treatments will produce large quantities of unmerchantable “forest residuals” which are currently pile burned or left in-woods to decay due to complicated market dynamics and the high costs required to remove them from the woods.

A more robust wood products market is needed to increase availability of biomass outlets. However, prospective wood products businesses face high barriers to market entry in California, and often encounter challenges securing long-term feedstock supply contracts. Without a guaranteed supply contract, facilities are not eligible for loans, debt servicing or other financing strategies.

This pilot project is one of five projects intended to meet the CA Office of Planning and Research (OPR) Pilot Project Criteria funded through the 2021 Wildfire and Forest Resilience Expend-iture Package. It is informed by several years of state-led work groups to address barriers to wood product market develop-ment. While no allocation for concept implementation has been made yet, funding is look-ing very promising upon successful completion of the following research. Both RCDs are committed to sharing information and will collaborate throughout the project period with all pilot project cohort members.

Pilot Concept

Establishing a new entity to maintain or expand existing or to enable new business development may provide an invaluable addition to the already well-developed supply chain in the region. In early discussions, the proposed entity could be a regional biomass

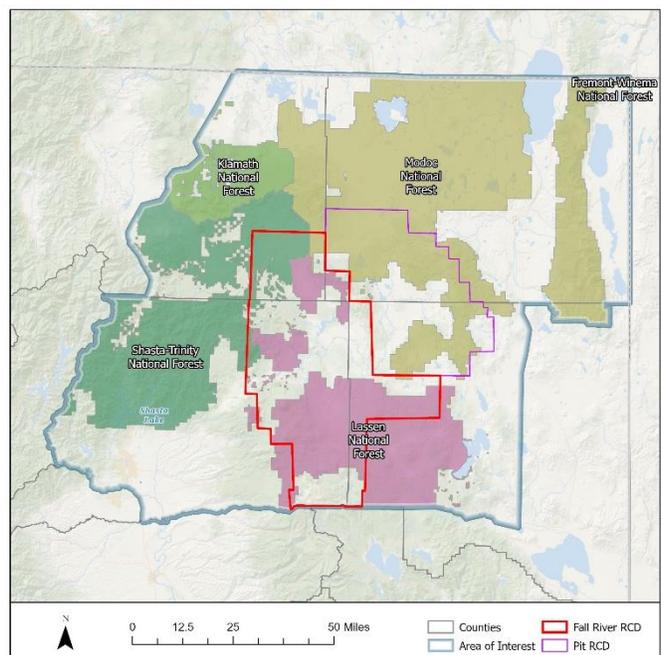


Figure 1: Area of Interest (AOI) for Pilot Project includes Modoc, Lassen and Shasta-Trinity National Forests, along with the Fall River and Pit Resource Conservation District boundaries

aggregator to centralize feedstock contract management through semi-public legal arrangements like Joint Powers Authorities or Community Service Districts. However, the entity has the potential to service a number of gaps within the supply chain to handle the increasing amounts of forest residue coming from fuel reduction efforts. Through collaboration and partnership development, the number of options available to the region to mobilize forest residue and centralize residue aggregation will need research to validate the opportunities and challenges to short-, mid-, and long-term solutions.

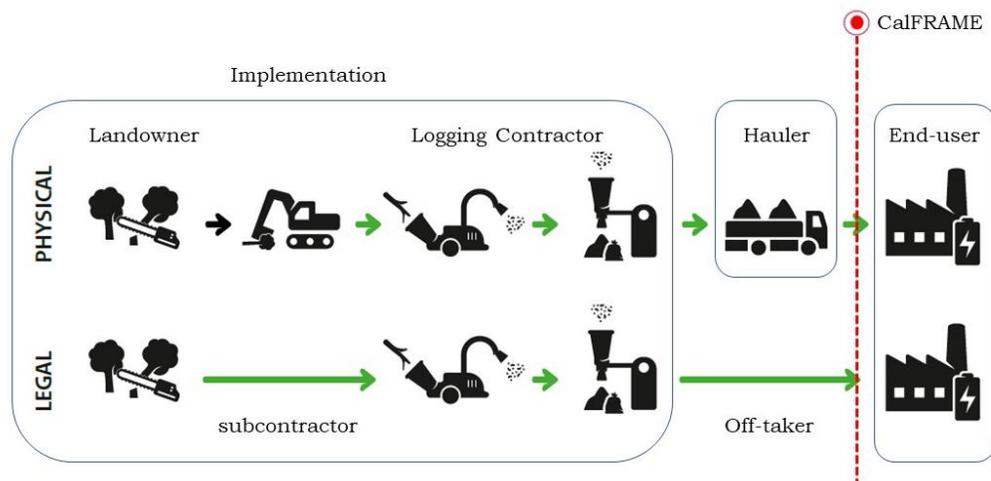


Figure 2: Summary diagram to illustrate the placement of CalFRAME along the forest supply chain

Scope of Work

Project management will be led by the Fall River RCD and Headwaters Environmental. Initial partnership recruitment and development for the Pilot Project has already begun but more work is needed to fully develop the project team, future organizational structures, and strategies to resolve barriers. Key tasks are below.

Task 3. Market Impact Assessment (MIA): in addition to a regional biomass supply assessment, the MIA will conduct preliminary economic and sensitivity analyses on changes to advanced technology readiness and policy. This report will serve as a guiding document to inform a regional biomass strategy for the proposed entity.

Task 4. Selection of Organizational Structure of Pilot Project: Several potential organizational structures exist and will need further research to validate. This will ultimately inform entity formation and how mutual interests between interested parties in the region can combine efforts to maximize implementation efforts while minimizing red tape. The final recommended structure will be well vetted with all partners, and a structure implementation plan (SIP) will describe the steps needed to create the chosen new entity.

Task 5. Entity Action Plan: Will integrate findings from previous tasks in addition to the following: (1) Identifying and securing partnerships with landowners, existing and future businesses through agreements and contracts; (2) Establishing a framework for third-party NEPA teams and other environmental services (e.g. CEQA compliance); (3) Conducting community education and outreach programs; (4) Recommending a budget for new entity formation and ongoing operations.

Task 6. Long Term Objectives Plan: Many long-term objectives will align with existing assessment and planning efforts, and also build out new concepts regarding some of the following: (1) biomass transportation subsidies or other public asset needs within the system; (2) developing processes for severe fluctuations in wood market volume, including market price volatility; (3) reviewing/advising advanced data collecting and modeling; (4) review new infrastructure ownership models for forest management projects; (6) long term workforce capacity support for federal land managers, particularly coming from local governments.

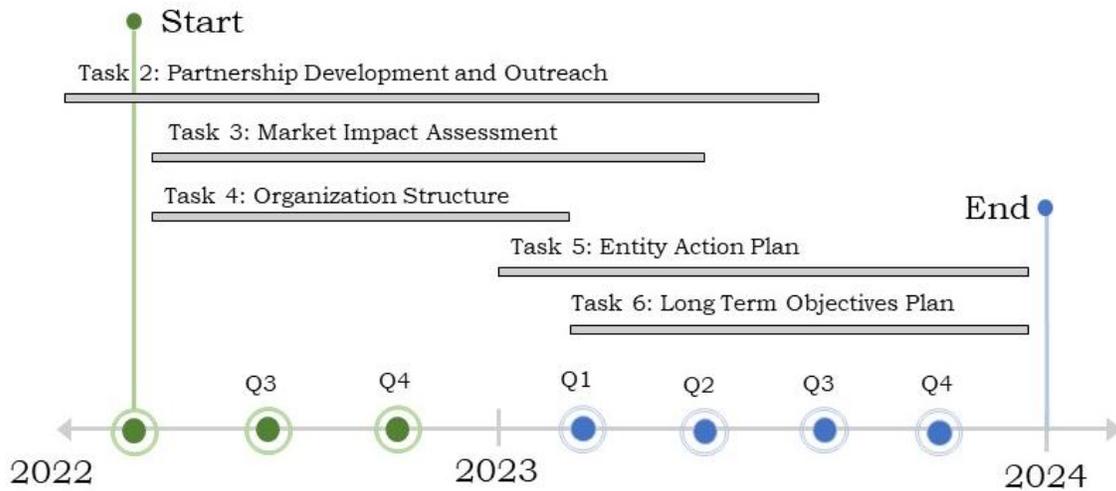


Figure 3: Quarterly timeline of CalFRAME tasks

Role of Partners and Stakeholders

The pilot project is centered around the needs and opportunities for innovation voiced by a diversity of stakeholders throughout the region. Voluntary participation with the project concept can occur on several different levels, ranging from direct involvement of entity formation to being an indirect beneficiary of future project implementation. Any level of stakeholder participation is welcomed. Currently, the project team is engaging various stakeholders on concept formation to better frame long-term strategy to support the needs of the region.

For further information please contact Regine Miller, Project Manager at regine.miller3@gmail.com