GOLDEN STATE
NATURAL RESOURCES

FREQUENTLY ASKED QUESTIONS (FAQS)

MARCH 2024

Q1. Who is Golden State Natural Resources (GSNR)?

GSNR is a California nonprofit public benefit corporation formed to enhance quality of life, public safety, economic development, and the environment in California. GSNR's directive is to reduce excess natural materials in California forested areas using best practices as part of an overarching strategy **to build wildfire and forest resilience in the state and spur economic opportunities in rural communities.**

GSNR was created as a joint initiative of Golden State Finance Authority (GSFA) and Rural County Representatives of California (RCRC). GSFA is a governmental entity that has led numerous project financing efforts within California and provided the initial startup funds for GSNR. RCRC is a forty-member county service organization that champions policies on behalf of California's rural counties. The Board of Directors for both GSFA and RCRC are comprised of elected County Supervisors from each of its member counties.

The work of GSNR is directed and overseen by the GSNR Board, which consists of elected County Supervisors responsible to the GSFA and RCRC Boards.

Q2. Why is forest resiliency work so important?

California's forests are experiencing longer fire seasons, drought, invasive species, tree mortality, climate change, and the consequences of a century of unnatural fire suppression. The result is overgrown and under-managed forests that have led to an excessive amount of fuel to burn when a fire ignites. This accumulated fire fuel presents a growing danger to life and property, and the state's natural resources.[1]

To tackle this growing threat, researchers point to a greater emphasis on proactive fuel reduction and increased forest resilience. Professionals in the industry in Northern California expertly highlight the need for forest resiliency work with supporting research in their commentary to the *Plumas News*[2].

Additionally, reports from The Nature Conservancy and Aspen Institute[3] and the Centre for Climate Justice at the University of British Columbia[4] emphasize fuel reduction projects as an important solution to improving forest resilience and the need for public private partnerships to advance this work at the large scale required.

However, with limited outlets and uses for this vegetation overgrowth, many forest health projects are unable to succeed in removing this material. GSNR directly addresses this critical need by creating a sustainable and economically viable use from the generated woody biomass.

---

[1] https://www.srta.ca.gov/DocumentCenter/View/4764/CAL-FIRE-Community-Wildfire-Prevention--Mitigation-Report

[2] https://www.plumasnews.com/where-we-stand-forest-management-needs-to-happen-at-much-larger-scales/

[3] https://www.aspeninstitute.org/wp-content/uploads/2023/03/Wildfire-Resilience-Roadmap_DIGITAL-1-1.pdf

[4] https://www.climateandcommunity.org/_files/ugd/d6378b_2a9170a48b954886811469e29291ddaf.pdf

Q3. How will GSNR's forest resiliency project work?

GSNR's proposed forest resiliency project will source woody biomass from sustainable forest management projects within public forests and private timberlands, process the material into a pelletized fuel product at developed facilities in rural California, and export the pellets to international markets where it could co-fire or replace coal-fired power plants.

Specifically, GSNR's program can be broken down into three primary phases:

1. **Utilize excess fire fuels:** GSNR will undertake sustainable forest management projects to remove excess fire fuels from overgrown stands, and will provide an outlet for fire fuels material removed by similar sustainable projects undertaken by other forest managers. These materials will then be transported by truck to the wood pellet processing facility.
2. **Produce industrial wood pellets:** GSNR will create much-needed stable, skilled occupations in California rural communities at state-of-the-art facilities that will convert excess fire fuels into wood pellets. The fire fuels will be received at two GSNR-owned wood pellet production facilities to be located in the Northern California (Lassen County) and Central Sierra (Tuolumne County) regions. GSNR has obtained these sites, with development plans underway.
3. **Market pellets**: GSNR will fund its own operation by selling industrial wood pellets to international markets for renewable energy generation. The finished pellets will transport to a dedicated purpose-built terminal proposed at the Port of Stockton. At the terminal, the pellets are unloaded and stored in large domes, where they are continuously monitored before being loaded into dedicated cargo ships for delivery to international energy markets.

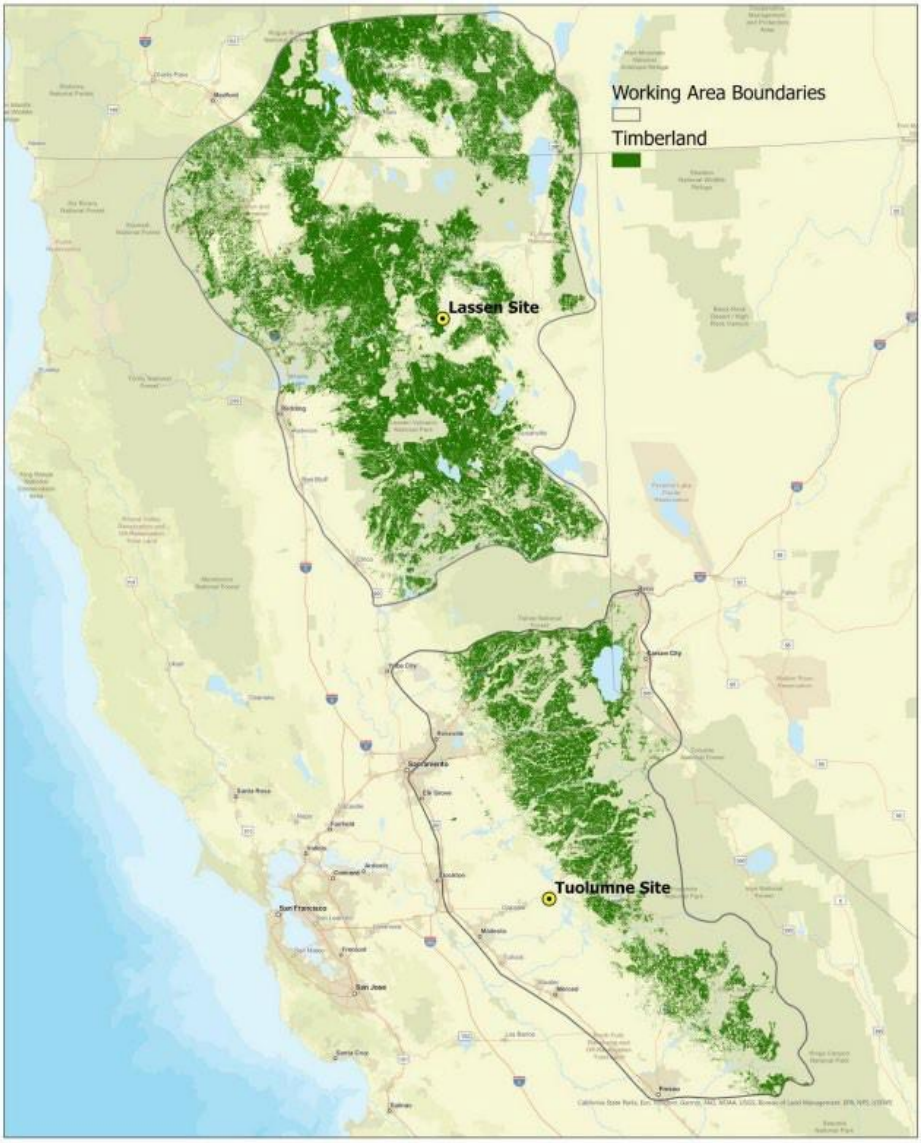
Q4. What type of woody biomass will be collected and where will the material come from?

With forest resiliency as GSNR's primary objective, the sources for any woody biomass used by GSNR will be required to comply with stringent "guardrails" – i.e., measures to ensure that GSNR's biomass procurement activities meet the highest environmental standards.

The specific measures for GSNR's project are currently being developed as part of the California Environmental Quality Act (CEQA) process and will be included in the Environmental Impact Report (EIR) being prepared for the project. An example of what such measures may include is available online.[5]

Feedstock would be sourced from public forests and privately owned timberlands within a defined working area surrounding each of the two facilities. See image below.

[5] https://bit.ly/3VhE3j6



Q5. What are the benefits?

Forest Resiliency and Community Health and Safety

Since 2020, wildfire has burned over 7.6 million acres in California. These fires have destroyed lives and property, threatened the flora and fauna that inhabit our forests, and reversed nearly two decades of greenhouse gas reductions in California. The smoke impacts from wildfires such as these are also a growing health risk across the United States, increasing in frequency and the number of people exposed.

By removing accumulated biomass, the potential for catastrophic wildfires in California is reduced, thus protecting rural communities, property, critical infrastructure, and the natural habitats that surround them, as well as reducing smoke-related air quality issues and enhancing watershed performance.[=]

GSNR's proposed project would also complement and help to advance the wildfire and forest resiliency targets called for by the State of California and the United State Forest Service.

Environment

The greenhouse gas reductions achieved by California over the past two decades was wiped out by California's 2020 wildfire season, which emitted nearly twice that amount in harmful emissions.[6]

Removing excess biomass from the forest can help reduce risk of catastrophic fire, thus reducing the greenhouse gas emissions and atmospheric carbon they produce that put reaching California's carbon emissions goals at risk. This work also creates the conditions that will result in a forest ecosystem more closely resembling the forests' natural status prior to climate change, disease, and unnatural fire suppression threw California's forests into crisis.

Additionally, the wood pellets created by GSNR serve as a renewable energy resource that could either co-fire or replace coal-fired power plants, helping to advance climate change carbon reduction goals.

Infrastructure and Economic Development

GSNR's project will create living wage employment opportunities, aiding economic growth in the proposed project site communities. Once operating, estimated full-time jobs for the project are 8 jobs in Stockton, 55 jobs in Tuolumne, and 65 jobs in Lassen as well as multiples of that number in supply chain jobs such as trucking (at the pellet facilities) and in-forest workers. Additional jobs will be available during facility construction at each of the project sites.

GSNR intends to partner and contract with trade organizations and industry businesses to perform pre-planned, best practice forest treatments and to transport the woody biomass to the processing facility, providing for additional jobs and economic development. Additionally, GSNR plans to partner with community colleges to train or upskill local students to perform in forestry and transportation jobs and will help promote the expansion of broadband infrastructure and other public services and benefits to nearby communities.

Q6. What are the community and environmental impacts?

The wildfire and forest resiliency work of GSNR will benefit communities across the state of California from improved public safety and reduced smoke impacts to reinvestment in the local economies of project communities.

GSNR intends that the process of removing dangerous fuels from the forest will help California's forests burn with less frequency and less intensity over the long term, which would be a major climate emissions win. And the renewable energy resource produced by GSNR may also co-fire or replace coal-fired power plants, helping advance broader environmental goals.

Like all industrial activities, the collection, processing, transportation, and combustion of tree biomass will produce emissions. GSNR is committed to utilizing the best available control technology (BACT) to ensure overall safety in the creation, transportation and storage of the wood pellets generated and to

[6] https://www.latimes.com/california/story/2022-10-20/california-wildfires-offset-greenhouse-gas-reductions

mitigate any potential emissions from its two pellet production facilities in accordance with strict state and federal standards.

GSNR's proposed forest resiliency project is also currently undergoing a thorough review through the California Environmental Quality Act (CEQA), to ensure any and all potential impacts are communicated and addressed.

For a full description of the environmental benefits of GSNR's forest resiliency projects, see Q6: *Environment*.

Q7. Is GSNR's project supported by the U.S. Forest Service?

Yes. GSNR's forest resiliency project is supported through a 20-year Master Stewardship Agreement signed with the U.S. Forest Service (USFS) for all eighteen national forests in Region 5 (covering much of California) to undertake forest management, restoration treatments, and fuel reduction activities. In this Agreement, USFS expressly acknowledged that this project will have significant benefits including, but not limited to, the following:

- Increase the number of acres of forest land treated substantially over the next twenty years.
- Decrease forest fuels, resulting in enhancing forest resiliency and reducing the risk of uncharacteristic catastrophic wildfires and improving air quality.
- Restore ecological/watershed functions through forest restoration activities resulting in improved watershed conditions resulting in cleaner and more plentiful water.
- Enhance wildlife habitat.
- Enhance public safety for residents, visitors, communities, and infrastructure.
- Provide an economical solution to the largescale removal of biomass from the state's forests.
- Enhance carbon sequestration.

Q8. What safety measures are being taken to mitigate fire risk and contain dust during the manufacturing, transport, and export process?

Manufacturing

Each of the pellet facilities will have comprehensive fire prevention and suppression systems utilized throughout the wood pellet development and storage process such as temperature sensors, spark detectors, automated fire sprinkler systems, fire water pumps, and a Fire Prevention Plan, among other measures. A dust collection system will also be utilized to reduce airborne dust and minimize any fire and explosion hazards.

Transport

The wood pellets will be loaded onto covered rail cars at each of the pellet facilities before being transported to the Port of Stockton. After arriving at the port, the wood pellets will be moved via a covered hopper to concrete storage domes.

Storage and Export

At the Port of Stockton, the storage structure will consist of two concrete domes designed to store pellets until large enough for shipment. The facility will employ an advanced fire suppression system that continuously monitors temperature and gas and, if ever needed, utilizes nitrogen to suppress fires quicky. When ready for shipment, the pellets will be gravity fed onto covered conveyors, which then transport the pellets to be loaded onto ship vessels for international shipment.

Dust collection and suppression processes, including dust collectors and covered processing and transport equipment, will be implemented during the unloading and loading phases to ensure that dust is effectively removed from the air and contained.

Operational procedures will be in place to promote safe operating procedures and good housekeeping throughout the manufacturing, transport, storage, and export process. There will also be well defined notifications in the unlikely event of a fire incident.

Q9. What permits are required for the project to proceed and what agencies are involved?

The principal public agency responsible for reviewing and approving the proposed GSNR project is Golden State Finance Authority (GSFA) (see Q1 for details on GSFA and its connection to GSNR). GSFA itself will provide ongoing oversight as the project's public partner. In that capacity, GSFA is acting as the lead agency for purposes of the project's environmental review, and the GSFA Board of Directors, made up of elected Supervisors from each of the 40 member counties, will ultimately determine whether the project proceeds, and under what conditions.

Once GSFA's environmental review and approval of the proposed project are completed, various aspects of the project will require further approval by other agencies. The proposed pellet and port facilities will obtain local land use approvals in the same manner as a private project (issued by Lassen and Tuolumne Counties and the Port of Stockton, respectively). As with any major development project, these facilities may require ancillary permits from one or more of the resources agencies, such as an Authority to Construct/Permit to Operate from the local air district (relating to air emissions from the facilities) or a "404" permit from the Army Corp of Engineers (for any construction-related impact on jurisdictional wetlands located on the project site).

GSFA has entered into a 20-year Master Stewardship Agreement with the U.S. Forest Service that will form the backbone of GSNR's forest management activities. The forest management activities that will provide feedstock for the pellet facilities (and also fulfil GSNR's primary aim of promoting forest resiliency and wildfire risk reduction) will also require approvals from various agencies, depending on the nature and location of the treatment work. Management projects within national forests will require approval of the U.S. Forest Service, and treatment activities on state or local government lands will require approval of the applicable land management agency. Similarly, most projects on private lands will require a "timber harvest plan" approved by CalFIRE (even though these projects do not involve commercial timber harvesting), as well as the landowner.

Q10. What is the project status? When will the project begin construction and operation?

GSNR's proposed forest resiliency project is currently undergoing environmental review in accordance with the California Environmental Quality Act (CEQA). The CEQA process is intended to ensure any and all potential impacts are identified, comprehensively evaluated, and mitigated to the fullest extent feasible. Development of the Draft Environmental Impact Report is currently underway and is anticipated to be released in spring of 2024, at which time there will be further opportunity for public review and comment.

Prior to construction and operation, GSNR's proposed project must complete the CEQA environmental review process and then receive approval on various permits from a number of agencies (see Q11 for details on permits and permitting agencies). Once this is complete, GSNR will also need to obtain additional financing for the project, including identification of a private partner.

If these milestones have been met, GSNR would then move into the construction phase of the project. At this time, there is not an established commencement date for construction and operation of the proposed project.

Q11. How can the public stay informed regarding this project? And how can the public provide feedback during the CEQA process?

The community can stay informed regarding the process of GSNR's proposed project by joining GSNR's email list at www.goldenstatenaturalresources.com, visiting the project webpage (www.goldenstatenaturalresources.com/local-forest-resilience-projects), or contacting GSNR directly at gsnr@gsnrnet.org.

A milestone of the CEQA process is the release of a Draft Environmental Impact Report (DEIR) for public review and comment. GSNR estimates releasing the DEIR in spring of 2024. The document will be sent out via email to those on GSNR's email list, placed on GSNR's website, and shared through additional means. During the comment period, the public will have the opportunity to provide formal comments for consideration before the completion of the final Environmental Impact Report.