

FREQUENTLY ASKED QUESTIONS (FAQS)

June 2025

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- Environment
- Economic Development

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

GSNR is a California nonprofit public benefit corporation established by rural counties in the state to address the urgent issue of catastrophic fires from overgrown and under-managed forests.

GSNR was created as a joint initiative of Golden State Finance Authority (GSFA) and the 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. Are any of the RCRC or GSFA member counties financially responsible for GSNR's costs and expenses?

No. While the forty-member counties of RCRC and GSFA provide governance and oversight of GSNR's activities, no financial responsibility is incurred by any member county or its taxpayers.

Q3. 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 burning 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 Institute³ and the Centre for Climate Justice at the University of British Columbia⁴ 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

Q4. How will GSNR's revised forest resiliency project work?

GSNR's revised forest resiliency project proposal will source woody overgrown vegetation from sustainable forest management projects within public forests and private timberlands and then process that material into wood chips at two processing facilities, one in Tuolumne County and the other in Lassen County. The finished chips will then be transported domestically by rail to downstream users and emerging market hubs in California and adjacent areas for use in sustainable fuels production and alternative wood products.

Rather than targeting overseas energy producers, the project would explore emerging domestic demand for wood chips in California and the western U.S. that are forecasted to arise for sustainable energy applications and alternative wood products. The proposed project will be uniquely situated to support these future potential markets, such as:

- Sustainable Aviation Fuel (SAF): SAF is a biofuel used to power aircraft that has similar properties to conventional jet fuel but with a smaller carbon footprint. Under California's Low Carbon Fuel Standard (LCFS), woody biomass – such as wood pellets and wood chips - holds the potential as a feedstock for commercial-scale SAF production, contingent upon continuous technological and economic developments.
- Methanol Production: Green methanol, produced from biomass or captured CO₂ and renewable hydrogen, is gaining attraction as a clean fuel for shipping and future input for sustainable aviation fuel (SAF), power generation, and off-grid industrial use.
- Bioenergy with Carbon Capture and Storage (BECCS): A process that converts biomass into energy and stores the carbon dioxide emitted, which can produce negative emissions. As BECCS is still in the early stages of commercial deployment in California, developers of these facilities are currently exploring potential partnerships that will provide a steady supply of sustainably sourced biomass, which can be provided in the form of non-debarked wood chips.
- Oriented Strand Board (OSB): OSB is a structural engineered wood panel commonly used in residential and commercial construction for applications such as sheathing, flooring, and roof decking. Despite its widespread use, there are currently no OSB manufacturing facilities in California or the broader western United States. The United States Forest Service has expressed interest in developing OSB manufacturing in the western U.S, utilizing forest project residuals, to support forest health initiatives and reduce reliance on imported products.
- Hydrogen Production: Hydrogen produced from woody biomass is emerging as a promising pathway for California's clean energy market, with several projects across the state developing gasification technologies to convert forest residues and wood waste into renewable hydrogen.

Q5. 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.

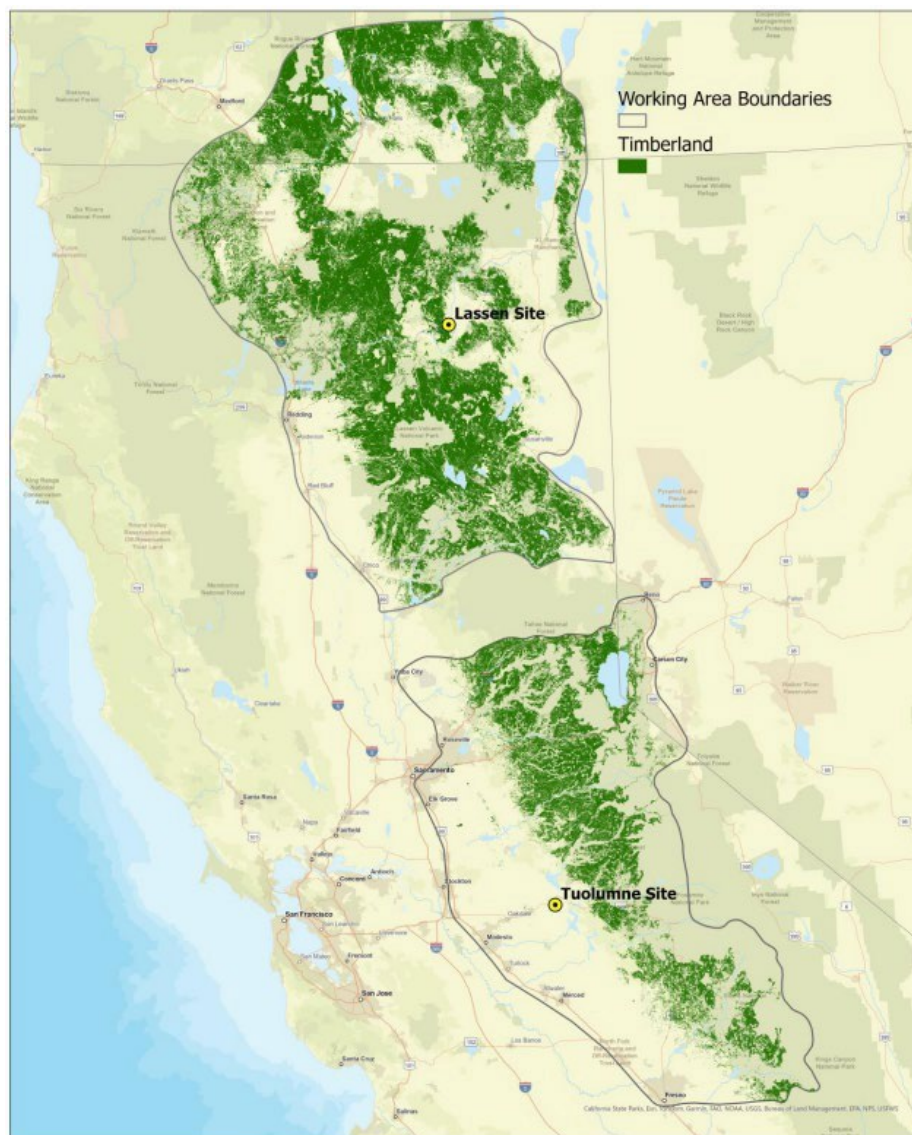
Unlike methods used in other parts of the country, GSNR's forest management activities will be more selective, targeting overgrown areas while limiting the impact to healthy native tree stands. The type, size, and amount of woody biomass removed and utilized by GSNR would all be conducted in accordance with

strict environmental standards and state and federal law. This process will also be conducted with the guidance of forestry experts and under strict regulatory oversight.

GSNR will also selectively source feedstock from otherwise unmerchantable residual material generated by third-party timber harvest and forest management operations. This material is currently often burned in place or left to decay, causing fire risk. Only operations meeting heightened environmental standards, including completion of CEQA, NEPA, or similar review, will be eligible to supply residual feedstock to GSNR.

GSNR's forest management projects and residuals procurement will be subject to extensive constraints and project design features to minimize the possibility of environmental impact. These include restrictions on both the locations from which material may be removed (e.g., excluding wild and scenic rivers and roadless areas), and the manner in which removal operations are conducted.

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.



Q6. Has GSNR considered what this project would mean for other smaller businesses that rely on feedstock coming from the project areas?

Due to the vast accumulation of biomass in California's forests and the type of feedstock material proposed for use by GSNR, GSNR's project is designed to not interfere with existing feedstock supply users. Feasibility studies have shown that the challenges faced in feedstock procurement are not the result of inadequate biomass, but rather a lack of resources to access the feedstock. To this end, GSFA is currently in discussions with existing feedstock supply users in the industry to aid in the development of additional forest treatment projects in accordance with GSFA's Master Stewardship Agreement (MSA) with the United States Forest Services (see Question 12 for details on the MSA).

Overall, the State Wildfire Task Force has called for an increase in the pace and scale of forest treatment efforts in California, which will create an influx of feedstock material beyond current market demand. It is the aim of GSNR to advance forest treatment efforts in alignment with the goals of the State, while also supporting the development of new commercial outlets to accommodate the increase in feedstock material.

Q7. How and where will the wood chips be transported?

Wood chips will be transported domestically by rail from the chipping and transshipment facilities in Lassen and Tuolumne counties to downstream users and emerging market hubs in California and adjacent areas for use in sustainable fuels production and alternative wood products. The input and output volumes at the two facilities and likely destinations will be further refined during the DEIR rescoping process along with the estimated number and frequency of rail cars.

Q8. Will the project generate new jobs?

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

Q9. What are the benefits?

Reduced Wildfires, Improved Forest Health and Increased Public Safety

Since 2020, wildfire has burned over 8.5 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 increasing public safety in rural communities; protecting 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 States Forest Service.

Environment

Wildfire smoke is a mixture of hazardous air pollutants, and in addition to contaminating the air with toxic pollutants, wildfires also simultaneously impact the climate by releasing large quantities of carbon dioxide and other greenhouse gases into the atmosphere. The greenhouse gas reductions achieved by California over the past two decades were wiped out by California's 2020 wildfire season, which emitted nearly twice that amount in harmful emissions.⁵

Removing excess biomass from the forest can help reduce risk of catastrophic fire, thus reducing the greenhouse gas emissions and toxic wildfire smoke they produce. 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.

Lastly, by supplying biomass to emerging green industries in sustainable fuel production, GSNR's revised project not only increases forest resiliency, but directly supports sustainable domestic energy innovation in accordance with state and federal goals.

Economic Development

GSNR's project will create living wage employment opportunities, aiding economic growth in the proposed project site communities. Once operating, the project is estimated to directly create dozens of new jobs, as well as multiples of that number in supply chain jobs such as trucking (at the wood chip facilities) and in-forest workers. Additional jobs will be available during facility construction at each of the project sites.

GSNR has established contracts 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 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.

To ensure the availability of an adequate skilled construction workforce, GSNR has entered into binding agreements with the California Building and Construction Trades Council and Northern California Carpenters Regional Council, which are the trade unions representing this workforce, that will govern construction employment for this project. Under these agreements, GSNR has committed that members of these trade unions will perform project construction work, and the unions have committed to facilitate this work and assist GSNR in ensuring the availability of the required workforce.

In addition, GSNR's project is an investment in the growth and development of emerging industries engaged in production of sustainable fuels and alternative wood products. For this purpose, GSNR is exploring the establishment of a Wood Force Innovation Campus in Tuolumne County, which is conceived as a think-tank and research hub that would provide physical infrastructure for activities such as collaboration, product prototyping, and community-based training, etc. Implementation of this portion of the project would be guided and supported through establishment of a Wood Innovation Task Force at the Tuolumne site to engage local stakeholders, technical experts, and economic development partners in identifying additional value-added uses for forest residuals.

⁵ <https://www.latimes.com/california/story/2022-10-20/california-wildfires-offset-greenhouse-gas-reductions>

Q10. Why is GSFA serving as the California Environmental Quality Act (CEQA) lead agency for GSNR's proposed forest resiliency demonstration project?

CEQA requires an environmental review that considers the whole of any project approved or carried out by a California public agency. As explained in the Draft Environmental Impact Report (DEIR) prepared for this project, the proposed forest resiliency demonstration project will be carried out jointly as a public-private partnership between GSFA and GSNR, with GSFA providing approval, supervision, and financing, and GSNR executing project operations. The GSFA Board of Directors, comprised of forty elected California county supervisors, will have ultimate responsibility for approving and supervising the proposed project. While several public agencies will be asked to approve distinct components of the project, GSFA is the only agency with responsibility for supervising and approving the project as a whole, and therefore must act as lead agency for purposes of CEQA.

For further details on GSFA's lead agency role, please see Chapter 1 of the DEIR located at www.gsfahome.org/programs/ed/forest-resiliency.shtml

Q11. What are the potential environmental impacts of the revised project proposal?

In accordance with the California Environmental Quality Act (CEQA), a draft environmental impact report (DEIR) was developed for the proposed project as originally proposed, and was released for public review and comment on October 22, 2024 through January 20, 2025 (see Question 16). This extensive environmental analysis explored all potential impacts from the proposed project, including potentially significant impacts related to air quality, transportation (i.e., vehicle miles traveled) and greenhouse gas emissions.

Since that time, GSNR staff has been diligently analyzing the more than 5,500 public comments received on the initial DEIR. Key themes that have emerged from the comments include concerns regarding greenhouse gas emissions, air quality impacts, and an interest in seeing additional alternatives evaluated, among others.

Based on the input received from the CEQA process, and current biomass market conditions, the GSNR Board, on June 25, 2025, directed GSNR staff to develop and analyze a reduced-scale project that focuses on domestic rather than international usage of the sourced wood material, and produces wood chips instead of wood pellets. By foregoing pelletizing, drying, and port logistics infrastructure, and reducing transportation distances, this reduced-scale project is expected to significantly lower the project's environmental footprint.

GSNR is currently revising the previously released DEIR to reflect these project changes and anticipates recirculating the revised report, with an updated evaluation of potential environmental impacts. This Revised Draft Environmental Impact Report (RDEIR) process will take place throughout the remainder of 2025 and early 2026, and will include updated lifecycle greenhouse gas and air pollution analyses of the project and the resulting wood chips as well as the beneficial effects from avoided wildfire.

Mitigation Efforts

GSNR takes any impacts to air quality and the climate very seriously. GSNR's activities will comply with the permitting and regulatory requirements of air districts with jurisdiction over the project. Additionally, GSNR would implement feasible mitigation measures, such as:

- Strict construction and operation protocols that go above and beyond regulatory requirements.
- Dust reduction practices that include limited vehicle speeds, maintenance of exposed surfaces with water or nontoxic dust control, and suspending forest treatment activities when dust exceeds the treatment area.
- Provision of a construction relations officer to serve as a liaison to the community, documenting and addressing any project-specific community concerns.
- Extra precautions in the Central San Joaquin Valley to help prevent additional exposure to Valley Fever.

Overall, GSNR's proposed forest resiliency project aims to reduce catastrophic wildfires in California, along with the significant toxic smoke and carbon emissions that such events produce. By reducing wildfire risk, restoring forest health, and creating a renewable energy project, GSNR's project would increase public safety and the preservation of our forests and vital watersheds, while also providing living wage employment opportunities in project communities (See Question 10 for full description of project benefits.).

Q12. 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 benefitting air quality in both rural and urban California.
- 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.
- Mobilizing and deploying market-based solutions to accelerate excess biomass removal.

Q13. How does this project differ from other wood production operations? How is DRAX involved with GSNR's project?

Unlike methods used in other parts of the country, GSNR's forest management activities will be more selective, targeting overgrown areas while limiting the impact to healthy native tree stands, and will include considerable use of residual biomass left behind by third-party forest management activities. The type, size, and amount of woody biomass removed and utilized by GSNR would all be conducted in accordance with strict environmental standards and state and federal law. This process will also be conducted with the guidance of forestry experts and under strict regulatory oversight.

The proposed project will also utilize advanced technology and the newest in industry safety standards throughout the manufacturing and transport process.

GSNR signed a non-binding Memorandum of Understanding (MOU) with Elimini, the U.S. based subsidiary of DRAX, a prominent renewable energy company, for the joint exploration of sustainable biomass opportunities, with a focus on advancing forest resilience and promoting green energy initiatives worldwide. This MOU provides a framework that allows GSNR and Elimini to assess opportunities for joint action, but does not commit either party to a business relationship. Elimini's parent company, DRAX, has extensive experience in renewable power generation, the production of sustainable biomass, and the sale of renewable electricity to businesses, and an expressed commitment to enabling a zero carbon, lower cost energy future through engineering, technology, and innovation.

Q14. What safety measures are being taken to mitigate fire risk and contain dust during the manufacturing and transport process?

The proposed project will utilize advanced technology and the newest in industry safety standards throughout the manufacturing and transport process.

Manufacturing

Each of the wood chip facilities will have comprehensive fire prevention and suppression systems utilized throughout the receiving, chipping, storage, and loading processes, and an operational Fire Prevention Plan, among other measures.

Transport

The wood chips will be loaded onto rail cars at each of the facilities before being transported to their final destination.

Q15. 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 revised project proposal are completed, various aspects of the project will require further approval by other agencies. The proposed facilities will obtain local land use approvals in the same manner as a private project (issued by Lassen and Tuolumne Counties, 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 facilities (and also fulfill 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.

Q16. What is the project status? When will the project begin construction and operation?

The GSNR's 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. A Draft Environmental Impact Report (DEIR) was released for public review and comment on October 22, 2024 and closed following a 90-day review period on January 20, 2025. Since that time, GSNR staff have been diligently analyzing the more than 5,500 public comments received.

Based on the input received from the CEQA process, and current biomass market conditions, the GSNR Board, on June 25, 2025, directed GSNR staff to develop and analyze a reduced-scale project that focuses on domestic rather than international usage of the sourced wood material, and produces wood chips instead of wood pellets.

GSNR is currently revising the previously released DEIR to reflect these project changes and anticipates recirculating the revised report, with an updated evaluation of potential environmental impacts. This Revised Draft Environmental Impact Report (RDEIR) process will take place throughout the remainder of 2025 and early 2026. The final EIR will then be presented to the Golden State Finance Authority (GSFA) Board for final certification.

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 Question 15 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 implementation phase of the project. The timeframe for implementation will depend upon a number of factors, including market conditions and status of development for the emerging domestic sustainable product and service sectors this project is intended to support. At this time, there is not an established commencement date for construction and operation of the proposed project.

Q17. 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 progress of GSNR's proposed project by joining GSNR's email list at www.goldenstatenaturalresources.com, visiting the project webpage (<https://goldenstatenaturalresources.com/local-forest-resilience-projects/>), or contacting GSNR directly at gsnr@gsnrnet.org.

A recirculation of the DEIR, reflecting a rescoping of the project as originally proposed, is anticipated to occur in early 2026. The public will have an opportunity to submit formal comments on the revised DEIR during recirculation. After the recirculation, the final EIR will be presented to the GSFA Board for their review and potential certification at a public hearing that the public will be invited to attend.

The original DEIR is available online at www.goldenstatenaturalresources.com/deir/.