

## **BIOMASS TRANSPORT AND UTILIZATION PROJECT AND GRANTS**

**Recommended Action:** Adopt Resolution 20-06-04 (Attachment 1), authorizing the Biomass Transport and Utilization Project (Project) and funding three grants: 1) a grant of up to \$36,000 to the California Department of Parks and Recreation (DPR); 2) a grant of up to \$280,000 to the Washoe Tribe of Nevada and California (Washoe Tribe); and 3) a grant of up to \$360,000 to the Great Basin Institute (GBI) to implement the Project. Staff further recommends authorizing the adoption of the Negative Declaration (ND) (Attachment 2) for the Project pursuant to California Environmental Quality Act (CEQA).

**Executive Summary:** This Project will fund the transport and utilization of up to 17,500 tons of woody biomass in the form of slash (i.e., non-merchantable woody debris such as treetops, limbs, brush, and small-diameter trees) from three forest restoration efforts in the Lake Tahoe Basin (Basin). Under this Project, biomass will be chipped, truck-loaded, and hauled from forest fuels treatment sites (collection points) to receiving facilities surrounding the Basin, for use as bioenergy, wood products, home-heating fuelwood, and mulch. The Project will help mitigate climate change and avoid greenhouse gas (GHG) emissions that would otherwise be created from burning the material in piles. The Project is the third activity that the California Tahoe Conservancy (Conservancy) is undertaking as part of a Forest Health Program grant (Forest Health Grant) from the California Department of Forestry and Fire Protection (CAL FIRE). Altogether, it is projected that these activities will reduce Basin GHG emissions by an estimated 147,994 metric tons. The Project advances the Conservancy's Strategic Plan Goal 2 (Restore the Resilience of Basin Forests and Watersheds) and Goal 4 (Foster Basinwide Climate Change Adaptation and Sustainable Communities). Conservancy staff will execute grant agreements with the GBI, Washoe Tribe, and DPR for implementation of the Project.

**Location:** The intent of the Project is to take woody biomass from three collection points on USDA Forest Service (USDA FS) and DPR lands within El Dorado County (Attachment 3). The three locations are in Meeks Creek Meadow located west of State Route 89 at Meeks Bay, the South Tahoe Fuels Treatment parcels in the City of South Lake Tahoe, and Sugar Pine Point State Park located on the west shore of Lake Tahoe, south of Tahoma.

The biomass will be transported from the collection points to any of the following facilities: Loyaltan Biomass, located in Loyaltan, California; Rio Bravo Rocklin and

Sierra Pacific Industries Lincoln, both located in Lincoln, California; Ampine, located in Sutter, California; Washoe Tribe Headquarters, located in Gardnerville, Nevada; or used as restoration material on forest restoration sites within Meeks Creek Meadow. Other facilities may potentially be used if they are located within the greatest distance analyzed in the Initial Study (IS)/ND (270 miles), among other requirements.

**Fiscal Summary:** The Conservancy will expend up to \$676,000 from a CAL FIRE Forest Health Grant. Funds are reimbursable, resulting in no fiscal impact to the State.

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## Overview

### History

In July 2018, CAL FIRE awarded a \$2,335,120 Greenhouse Gas Reduction Fund, Forest Health Grant to the Conservancy. In October 2018, the Board approved the acceptance of grant funds and authorized the expenditure of up to \$775,906 for project planning, with the understanding that staff would return to the Board for authorization to implement specific projects under the Forest Health Grant. The goals of CAL FIRE's Forest Health Program are to reduce GHG emissions, promote long-term carbon storage in trees and soils, and minimize the loss of forest carbon from wildfires. The grant from CAL FIRE provides funding for forest thinning, prescribed fire, and utilizing biomass generated by other projects that would otherwise remain on the ground or be pile burned.

Conservancy staff identified three projects to accomplish the goals of the Forest Health Grant: the Burton Creek State Park and Dollar Creek Forest Restoration Projects, which the Board authorized in August 2019 and October 2019 respectively, and this Project, as presented in this recommended action. To date, with respect to the Burton Creek State Park Forest Restoration Project, the DPR has implemented a 19-acre prescribed burn. Thinning is expected to begin in fall 2020 on the Dollar Creek Forest Restoration Project.

### Detailed Description of Recommended Action

#### 1. Major Elements and/or Steps of the Recommended Actions

Staff recommends the Board authorize the expenditure of up to \$676,000 for the transport and utilization of approximately 17,500 tons of woody biomass. For implementation of the Project, staff will execute the following three grants to subsidize the biomass removal from three forest restoration efforts in the Basin: 1) up to \$280,000 to the Washoe Tribe for the Meeks Creek Meadow (also known as Mayala Wata) Restoration Treatment; 2) up to \$360,000 to the GBI for the South Tahoe Fuels Treatment; and 3) up to \$36,000 to the DPR for their yearly forest maintenance activities. As discussed in the IS/ND, these efforts were previously analyzed, reviewed, and approved under prior environmental review processes.

The Project will be implemented by the Washoe Tribe, GBI, and DPR (collectively, Project proponents). The Project proponents will use heavy machinery and haul trucks to load the woody biomass from the collection points. Project proponents will transport the material to the potential locations identified in this staff recommendation for utilization for bioenergy and wood products such as particle board, home-heating fuelwood, and mulch. The facilities include: Loyalton Biomass, located in Loyalton, California; Rio Bravo Rocklin and Sierra Pacific Industries Lincoln, both located in Lincoln, California; Ampine, located in Sutter, California; and Washoe Tribe Headquarters, located in Gardnerville, Nevada. These facilities are close enough to the collection points that transportation impacts still amount to a net reduction in GHG when compared to burning the biomass in piles. Other facilities may potentially be used if they are located within the greatest distance analyzed in the ND (270 miles), they comport with the ND, and they do not create potentially significant environmental effects.

## 2. Overall Context and Benefits

The Conservancy is restoring forest health to reduce GHG emissions, promote the long-term carbon storage in trees and soils, and minimize the loss of forest carbon from wildfires. Typically, forest managers have difficulty removing non-merchantable woody biomass, which includes the treetops, limbs, brush, and small-diameter trees, from forest fuel reduction treatments. The cost to transport this material to facilities for utilization is greater than the material's economic value. Often, this material is burned on-site, increasing GHG emissions from the Basin. By subsidizing the cost of transport, this Project will produce renewable bioenergy and wood products and support a forest restoration economy.

The Project furthers the purposes of California's Global Warming Solutions Act of 2006, the California Forest Carbon Plan, the federal Energy Policy Modernization Act of 2015, and Executive Order B-52-18 that calls for an increase of pace and scale of forest treatments. The Project also complements other forestry efforts on federal and non-federal lands in the area by decreasing the potential for high-intensity wildfires and better protecting at-risk communities. An estimated 147,994 metric tons of carbon dioxide-equivalent emissions will be avoided when the three projects implemented under the Forest Health Grant are complete.

## 3. Schedule for the Recommended Action

Staff intends to execute grants in summer 2020. Project proponents plan to begin implementation in summer or fall 2020 and the work will continue through 2021. The Project may extend into 2022, if necessary, upon approval by CAL FIRE. Under the Project, biomass material may be truck-loaded and hauled from May to November, but could occur over the winter as well if weather conditions permit.

## **Financing**

Subject to Board approval, the Conservancy will expend up to \$676,000 of the Forest Health Grant to carry out work during Fiscal Years 2020/21 and 2021/22. If CAL FIRE approval is given, work may continue into Fiscal Year 2022/23.

## **Authority**

### **Consistency with the Conservancy's Enabling Legislation**

The recommended action is consistent with the Conservancy's enabling legislation. Specifically, Government Code section 66907.7 authorizes the Conservancy to award grants to state agencies, federally recognized Indian tribes, and nonprofit organizations for purposes consistent with its mission.

### **Consistency with the Conservancy's Strategic Plan**

The Project advances the Conservancy's Strategic Plan Goal 2 (Restore the Resilience of Basin Forests and Watersheds) and Goal 4 (Foster Basinwide Climate Change Adaptation and Sustainable Communities).

### **Consistency with the Conservancy's Program Guidelines**

The recommended action is consistent with the Conservancy's Forest Improvement Program Guidelines through the utilization of forest byproducts for bioenergy, wood products, firewood, and restoration material.

### **Consistency with External Authorities**

The Project furthers the goals of the California Global Warming Solutions Act of 2006 by establishing a comprehensive program to reduce GHG emissions from all sources throughout the State. The Project also furthers the goals of the federal Energy Policy Modernization Act of 2015, and the California Forest Carbon Plan by finding innovative solutions for wood products and biomass utilization to support ongoing forest management activities. Finally, the Project furthers the goals of Executive Order B-52-18 by increasing the pace and scale of forest treatments.

## **Compliance with the California Environmental Quality Act**

The Conservancy, acting as the lead agency, prepared an IS/ND (Attachment 2) for this Project to comply with CEQA. Staff has determined that, based on the IS/ND, there is no substantial evidence that the Project would have a significant effect on the environment and that the ND reflects the Conservancy's independent judgment and analysis. A copy of the IS/ND is attached to this staff recommendation or is available on the Conservancy's website at <https://tahoe.ca.gov/initial-study-negative-declaration-biomass-transport-and-utilization-project/>.

Staff submitted the IS/ND and the notice of intent (NOI) to adopt the ND to the State Clearinghouse (Number 2020059003) to initiate a 30-day public comment period from May 1, 2020 to June 1, 2020. The Conservancy received no public comments during this period. Additionally, staff posted the NOI to the Conservancy website, published it in the *Sacramento Bee* and *Tahoe Daily Tribune*, and sent it to relevant county clerk offices and potentially affected public agencies on May 1, 2020.

Staff recommends the Board review the IS/ND; adopt the ND; and approve the Project. If the Board adopts the ND and approves the Project, staff will file a notice of determination (Attachment 4) with the State Clearinghouse pursuant to CEQA Guidelines, section 15075.

### **List of Attachments**

- Attachment 1 – [Resolution 20-06-04](#)
- Attachment 2 – [Initial Study and Negative Declaration](#)
- Attachment 3 – [Biomass Transport and Utilization Project Map](#)
- Attachment 4 – [Notice of Determination](#)

### **Conservancy Staff Contact**

Joseph Harvey, Forest Operations Specialist

[joseph.harvey@tahoe.ca.gov](mailto:joseph.harvey@tahoe.ca.gov)