

# BIOMASS WORKING GROUP MEETING

TUESDAY, MARCH 18, 2014

## Attendees:

In person: Steven Scott Nicholls, Doug Wickizer, Larry Swan, Gabriel Taylor, Emelio Camancho, Debbie Schmidt, Greg Osborn, Sharon X, Peter Tittmann, Mik McKee, Angie Lottes, Jerry Bird, Doug Snyder, Phillip Treanor, Chris Nota

Phone: Elissa Brown, Andrei Rykoff, Tedi Domowicz-Duree, Richard Engel, Cheryl Lee, Dave O’Conner, David Lewis, Akasha Khalsa, Brett Storey, Scott Olson, Kim Carr, Bob Goodwin, Chris Trott, Fred Tornatore

Takeaway lesson: Communities should work with local rangers and line officers to get stewardship contracts implemented throughout Region 5!

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**PRESENTATION ON STEWARDSHIP CONTRACTING IN CALIFORNIA, ANDREI RYKOFF, US FOREST SERVICE**

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**HISTORY OF STEWARDSHIP CONTRACTING:**

Authority to test new approach granted in 1999, lasted through fiscal year 2002

This led to a 10 year test run:

- Under stewardship contracting forests can exchange good for services
- Allows for best practice contracting (equipment, people, etc).
- Allows forests to keep receipts – so money stays on forest
- Provides for multi-year contracting (up to 10 years)
- Allows for designation by description, designation by prescription

2014 Farm Bill makes Stewardship contracting permanent, reduces fire liability on timber sales

**GOALS OF STEWARDSHIP CONTRACTING:**

Heart of Stewardship Contracting is that it is an all-encompassing restoration tool

“Best value” tool

- One contractor responsible for all components of timber sale
- Bids are evaluated on a “best value” basis
- Includes elements like equipment, contractor history, work skill, benefits to local community

Retain excess offset values – for example, money retained from sales stay on forest and can be used for other programs, i.e. culvert replacement.

Stewardship contracting attempts to integrate science with community knowledge

Sharing power and accepting mutual responsibility

Long-term interdependence of community, economies, public lands, and cultures

Key goals include:

1. Ecological restoration
2. Water quality protection or enhancement
3. Improve habitat
4. Re-establish native species
5. Reduce Hazardous Fuel build up

Allows for the value of the product to offset the cost of contracting services

Best fit is a key component: pick communities carefully

Limitations on how funds can be spent: no salaries, no vehicle purchases, environmental planning, construction ...

## INTEGRATED RESOURCE CONTRACT

- Blend of service contract with timber contract
- Trades goods for services

## STEWARDSHIP AGREEMENTS:

- An agreement between the USFS and other group to conduct work
- In region 5 Stewardship Contracts require a 20% match with the group.
  - this could be cash or donated work.

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## REGION 5 HAS SEVERAL ACTIVE STEWARDSHIP AGREEMENTS

1. Shasta-Trinity and RMF entered into an agreement in 2007
2. LTBMU and Placer County
3. Modoc NF and BLM
4. Shasta-Trinity and community of Weaverville
5. Mendocino and Crane Mills

Since 2006 number of acres has fluctuated – highest in 2010 with AARA dollars

## QUESTIONS:

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## DRIVER BEHIND DETERMINING A 3 OR 10 YEAR TIMEFRAME?

- Local line officer in collaboration with local community members really make the determinations

- Timber sales are 3 years, period. If value of timber goes up after 3 years, then contractors benefits at expense of forest
- Scale/size of stewardship contracts can also require more time
- Also opportunities like SB 1122, which may require investment/loans, 10 year time frame can help mitigate supply risk

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#### OVER LAST DECADE – WHAT IS THE AVERAGE ANNUAL ACRES TREATED?

- not a clear idea, but not many (See slide)

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#### IRSC – SAY LONG-TERM CONTRACT FOR BIOMASS – WHAT ARE THE NEPA AND BUDGETARY REQUIREMENTS – NECESSARY TO HAVE THEM BOTH DONE UP FRONT?

1. Budget is hard to know
2. NEPA is required for all projects
3. Agreement with group to do work in watershed, have at least 1 piece of the overall treatment area through the NEPA process
  - that way the group/contractor could get started while the rest of the project gets put through the review process

How IRTC and IRSC are rolled out: District proposing project submits a RFP for the work – Service Contract Administrator releases this info to the contractors in the appropriate “zone”

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#### HOW DO WE GET MORE OF THESE CONTRACTS IMPLEMENTED ON THE LANDSCAPE?

1. Work with local rangers and line officers
  - a. There is no mandate coming down from up high, so pressure has to come from the bottom up
  - b. This has been a relatively underutilized resource to date – but anticipated to become increasing relied upon to help with forest restoration and other forest projects.

### PROJECT UPDATES (15 MINUTES)

#### NORTH FORK – KIM CARR, SIERRA NEVADA CONSERVANCY

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#### NORTH FORK PROJECT IS PERMITTED AND READY TO MOVE FORWARD

- Board of supervisors denied CBD’s petition to prevent the project from happening
- CBD decided not to sue at the last minute
- Hopefully this is one major barrier that is now behind us
- For the most part this project was able to move forward without compromising to such an extent as to jeopardize the project

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#### WHERE THERE ANY MODIFICATIONS MADE TO APPEASE CBD’S CONCERNS?

Two conditions added to the process

- 1) stating that it is a gasification technology that is going to be used, and

2) reiterating the GHG emissions and the fact that the project will meet those – basically the same numbers that were calculated during the CEQA(?) documentation → a comparison between pile burning versus in the boiler, no suggestions of carbon neutrality. Also relied on biochar.

**PURSUIT OF A STEWARDSHIP CONTRACT IN NORTHFORK.**

Bi-weekly conference calls have been occurring between TSS, Jerry Bird, Andrei Rykoff to secure 8,000 acre 10 year stewardship contract. There will hopefully be an open meeting in late May to share the results/success of the efforts.

**PLACER COUNTY (BRETT STOREY)**

- Go learn how to speak with lawyers.
- Placer is in final negotiations with utility company (Liberty Electric)
- The PPA is certainly one component to bringing investors online, but the consistency of fuel source is critical. As are the logistics of harvest, transportation etc. 10-year contract will be a piece of the goal.

**CPUC UPDATE FROM CHERYL LEE**

- The update is there is no update on SB1122. Still waiting for proposed decision.
- Black & Veatch report is now looking at distributed generation from multiple renewable resources, not just the benefits derived from forest biomass.

**DISCUSSION ON PRIORITY BARRIERS FOR STRATEGY DEVELOPMENT (SWET, 30-45 MINUTES)**

Issue	Problem	Potential Soutlion	Additional Notes	Do similar solutions exist?
Finance	How do we make all funding possibilities visible to communities and developers?	Comprehensive funding matrix, organized by development phase	Should contain name of program, contact person and contact information for regulatory agencies that a biomass developer would need to contact in terms of permitting etc. Also, look for revolving loan fund for SIS up-front costs (\$50,000), or ask PG&E to defer payment for SIS.	Christa Darlington's presentation (video, pdf) on permitting issues from our 2012 Conference (proceedings) <a href="https://docs.google.com/file/d/0BwN3B21vEtMFOWNqV25fM2k0emM/edit">https://docs.google.com/file/d/0BwN3B21vEtMFOWNqV25fM2k0emM/edit</a> <a href="http://lecture.ucanr.org/Media%20site/Play/49b59ea99fba46b9b57e65d8e4bc69181d%20Cool%20California%20Funding%20Wizard">http://lecture.ucanr.org/Media site/Play/49b59ea99fba46b9b57e65d8e4bc69181d Cool California Funding Wizard</a> <a href="http://www.coolcalifornia.org/funding-wizard-home">http://www.coolcalifornia.org/funding-wizard-home</a>
Price Adjustment for SB 1122	How do we get 5 projects into the queue?	Improve project economics: a) Bring down cost of technology with bulk purchase; b) find source for heat utilization	Rule 26: CHP facilities must use the heat rather than dump it. In order for investors to be eligible for 30% investor tax credits, the system must utilize 20% of waste heat utilization. Can SWET figure out how to build customers for that much heat? Hot tubs? Saunas? Hot water needs. Industrial: breweries, tomatoes, small	Hot water needs: Hot tubs? Saunas? Industrial Kitchens? ; Industrial: breweries, tomatoes, small industrial good processors- collect best practices

			industrial good processors- collect best practices	
Finance- long term purchasing agreement	What can we do to identigy a market and get long-term contracts for buying biochar?	Determine what processing is needed to further process biochar for utilization as a) Filtration media for waste water b) Air filtration c) CAR is looking at using biochar as an offset mechanism. The white paper mentioned that it was an opportunity and is the basis from which Placer County is basing their work.	Can be determined with gap analysis, followed by finding funding to meet gaps or other resources	Placer is developing a protocol for biochar that will allow GHG credits. Public review of the draft protocol may happen this summer and be available by the end of the summer. CARB may use it.

## PARTICIPATING AGENCY AND GROUP UPDATES

### CAL EPA

Air Resources Board has updated proposed [scoping plan](#) for AB 32.

### UC BERKELEY CENTER FOR FORESTRY

No Woody Biomass Utilization Grant release yet.

### USDA RURAL DEVELOPMENT

Rural Energy for America Program NOFA will be published very soon. Grants and loan guarantees are available through this program.

## STANDING SUBGROUPS, UPDATES

### STATEWIDE WOOD ENERGY TEAM

- Brief summary of SWET TA activities: Completed site review for Mendocino Woody Biomass Working Group and Community-based site review process.
- Status report: We are doing a lot of research as promised. We are looking closely at organizing workshops for the upcoming Summer/Fall.
- Cooperative agreement TA funding recommendations: Recently gave a small award to the North Fork Community Development Council to pay for professional assistance in securing a 10-year Stewardship Contract. Will be reviewing an application from the Fall River RCD and a community group in Mariposa County.