CA ad hoc Forest Biomass Working Group – eNewsletter 21/2023

The California Sawmill Revitalization Initiative. In response to the increasing threat of catastrophic wildfires, California and the U.S. Forest Service agreed to jointly treat one million acres of California forests and wildlands annually. Forest treatment activities to improve forest and watershed health often produce small-diameter logs, tree trimmings, and other low-value forest biomass that California lacks the capacity to utilize efficiently and sustainably. New forest protection policies enacted in the late twentieth century constricted the timber industry, causing closures of sawmills and other forest-related businesses that were important employers for local rural residents. In collaboration with the Watershed Research and Training Center, U.S. Environmental Protection Agency, and California Governor's Office of Business and Economic Development, a team of five graduate students in the UC Davis Environmental Policy and Management Program evaluated the potential for redeveloping former sawmill sites to support California's expansion of forest woodprocessing capacity for low-value forest biomass to help the state achieve wildfire resiliency, rural economic development, and climate resiliency goals. The team will be presenting their findings of the California Sawmill Revitalization Initiative at the <u>UC Davis Graduate Program of Environmental</u> Policy and Management Policy Symposium on Thursday, June 8, 10am - 5pm PDT. The deadline to register for this event is June 2, 2023.

Wood Wool Cement Products & Wood Fiber Insulation Feasibility Analysis. The Council of Western State Foresters (CWSF) Forest Products Committee (FPC), a collaboration of state forestry professionals across the Western United States and Pacific Islands, is working to maintain and enhance markets for traditional and non-traditional forest products. As part of those efforts, CWSF commissioned an Emergent Markets Report to develop a better understanding of the feasibility of Wood Wool Cement (WWC) and Wood Fiber Insulation (WFI). Both products have been commercialized in Europe, but are much less common in North America, both in terms of market use and domestic manufacturing capacity. The report, developed by the Beck Group, provides an overview of key feasibility considerations for businesses developing around Wood Wool Cement products and Wood Fiber Insulation, including factors such as raw material requirements and costs; equipment needs and costs; process considerations (e.g., labor, plant scale, etc.); market size and product values; and regulatory and/or policy issues affecting commercialization of these technologies.

Forest Stewardship Annual Report: January to December 2022. The UC ANR Forest Stewardship Education Initiative was developed as a project through input by the Forest Landowner Education and Outreach Working Group of the California Governor's Forest Management Task Force in 2019. Goals of the Forest Stewardship Education Initiative are to educate forest landowners to better understand, manage, and protect their forests by developing a forest management plan, engaging with natural resource professionals, and taking advantage of cost-share opportunities that can help them meet their management goals. Forest stewardship is based on conservation principles that ensure protection of forest resources including wildlife, timber, soil, water, recreational opportunities, and natural beauty. Forest stewards actively manage their land by following management objectives based on multiple resources, are economically viable, and conserve natural resources. Workshops focus on helping landowners become better forest stewards by helping them learn about forestry, forest management, and connecting them to cost-share programs and forestry professionals. Download the full 2022 report of the Forest Stewardship and Post-Fire Forest Resilience Programs here and the report synopsis here. A companion project looked at the goals

and barriers workshop participants face in the development and implementation of their forest management plans. <u>Download that report here</u>.

Blue Forest launches Fund to invest in Biomass Utilization System. Building on the success of the Forest Resilience Bond, Blue Forest has expanded its platform to invest in every part of the forestry value chain—from harvesting to hauling, processing, and utilization—in order to build the system capacity necessary to accomplish forest restoration and wildfire risk reduction goals. Blue Forest's first related fund strategy is called California Wildfire Innovation Fund (CWIF). CWIF provides flexible capital to companies and projects across the forest restoration, wood utilization, and wildfire mitigation sectors, with particular emphasis on industries and projects that add system capacity, create value for non-merchantable timber and biomass, and achieve improved carbon outcomes. The Fund is targeting market-rate debt and equity investments in the \$1-3 million range and seeks to add value to portfolio companies through its established supply partnerships, industry network, and scientific expertise. For more information please reach out to bfam@blueforest.org.

Bioeconomy Development Opportunity Zone Initiative. The <u>Bioeconomy Development Opportunity</u> (<u>BDO</u>) <u>Zone Initiative</u> intends to enable economically distressed communities to leverage biomass assets to serve as anchors for revitalization. It is a force-multiplier for the job creation ability of the federal tax incentives, driving billions into biobased economic development and renewable energy jobs in Opportunity Zones across the country. The <u>BDO Zone Initiative</u> can move the needle on job creation, social justice, and clean energy with a goal of 1,000 BDO Zone designations in 4 years. BDO Zones are closely examined and scored using a rigorous framework for accurately rating feedstock risk for investors and capital markets. <u>Biomass Supply Chain Risk (BSCR) Standards</u> are a recognized, validated, standardized, and transparent protocol for evaluating feedstock risk developed over the past 6 years for investors and capital markets by the USDOE's Idaho National Lab (INL), Los Alamos National Lab (LANL) and Ecostrat, together with a <u>stakeholder group</u> of several hundred major bioeconomy investors, plant operators, feedstock and equipment suppliers, government, and academia, with funding from the US Department of Energy's Bioenergy Technologies Office (BETO), the Canadian federal government (NRCan/CFS) and the Standards Council of Canada (SCC).