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We're working to rapidly reduce climate pollution at scale, starting in California.

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Golden State Finance Authority 1215 K Street, Suite 1650 Sacramento, CA 95814

Via email: ceqacomments@gsfahome.org

Subject: Golden State Natural Resources Forest Resiliency Demonstration Project Draft Environmental Impact Report Comment

Dear Chair McDaniel and Board Members:

I am writing on behalf of The Climate Center and its thousands of supporters statewide to express concerns about the Golden State Natural Resources (GSNR) proposed forest resiliency demonstration project (Project) Draft Environmental Impact Report (DEIR), primarily as it relates to the global climate crisis and the degree to which this project serves to achieve greenhouse gas (GHG) emissions reductions.

The Climate Center is a climate and energy policy nonprofit working to rapidly reduce climate pollution at scale. We are a think-tank/do-tank working collaboratively for accelerated, equitable climate policy in California. We know that as goes California, so goes the world. With the climate crisis rapidly worsening, we engage in cross-sector coalitions to enact bold, science-based policy that sparks innovation and channels market forces for speed and scale GHG reductions that benefit everyone.

While we acknowledge the good intentions of GNSR to address the urgent issue of catastrophic wildfire, we have concluded that, by its own admission, the Project conflicts directly with California's commitment to reducing GHG emissions and building a clean energy future. The DEIR is incorrect, and/or inadequate at best and should not be certified, and the project concept is fundamentally flawed and should be rejected.

The Climate Center only supports small-scale facilities — 5MW or less — in accordance with BioMAT program requirements, or slightly larger facilities approved on a case-by-case basis, per our research brief.¹ Facilities should only be located close to the sources of biomass production, which tend to be rural and mountainous locales, to reduce emissions and costs of long-distance shipping. Facilities will not be sited in already over-polluted Central Valley communities.

https://theclimatecenter.org/fossil-fuels/should-california-support-forest-sourced-bioenergy-considerations-for-wildfire-climate-and-environmental-justice/

The Climate Center has concluded that electrification – of just about everything – with solar, wind, water, and geothermal as the electricity generation sources, is the viable path toward a truly clean, resilient, equitable, and sustainable energy future. A summary of our policy recommendations in this regard may be found in our Climate Safe California² and Grid for the Future³ initiatives.

The Project raises concerns from a GHG reduction perspective due to the questionable climate benefits of biomass energy. The project involves converting California forest material into wood pellets for export to Drax's power plants in the UK, where they are burned for energy. While promoted as renewable, biomass combustion releases significant amounts of carbon dioxide upfront, often exceeding emissions from fossil fuels in the short term. Additionally, the carbon neutrality of biomass hinges on forest regrowth, which can take decades or longer – timeframes incompatible with increasingly urgent California climate goals. Harvesting trees for pellet production will also disrupt delicate ecosystems and release stored carbon from soils. These issues challenge the project's effectiveness as a genuine GHG reduction strategy.

The DEIR fails to fully evaluate the many significant GHG impacts including from:

- Trucking forest materials, with an estimated 285 daily truck trips to feed pellet facilities, traveling within a 100-mile radius from facilities, and transporting pellets hundreds of miles to the Port of Stockton by truck or rail;
- Shipping pellets thousands of miles overseas to markets in Asia and/or Europe;
- Storage and loading operations at the Port of Stockton, where stored pellets will release methane and other emissions and pose a fire and explosion hazard, and;
- GHG emissions from pellet combustion.

The primary market offtaker for the wood pellets, Drax, has not produced results that instill confidence about GHG reductions. Analysis of heavily subsidized biomass Drax projects in the United Kingdom has shown that far from being climate solutions, these biomass projects are extremely high CO₂ emitters.⁴ Drax's burning of wood pellets in the UK emitted 11.5 million tons of CO₂ in 2023, the equivalent of 2,673,805 gas cars driven for one year. In 2022, Drax topped the list as the U.K. power sector's single-largest CO2 emitter.

The DEIR fails to correctly or accurately demonstrate that the project is a climate mitigation tool or that it contributes to long-term carbon sequestration. The Project is not aligned with state climate goals. The total annual GHG emissions estimate across the state of 94,922 MT CO2e per year is wholly unacceptable. The Project would release substantial GHG emissions at every stage, worsening the climate crisis.

Thank you for the opportunity to comment. This project does not fit with California's renewable energy policies and is not climate friendly. On behalf of The Climate Center and its supporters, I strongly urge you to not certify the DEIR and to reject the project overall.

Sincerely,

/1ALO

Ellie Cohen, Chief Executive Officer The Climate Center

² https://theclimatecenter.org/wp-content/uploads/2021/06/Platform-Climate-Safe-CA-May-2021.pdf

³ <u>https://theclimatecenter.org/our-work/community-energy-resilience/grid-for-the-future/</u>

⁴ https://www.theguardian.com/environment/article/2024/aug/09/biomass-power-station-produced-four-times-emissions-of-uk-coal-plant-says-report