



Cal OES
GOVERNOR'S OFFICE
OF EMERGENCY SERVICES

CALIFORNIA DEPARTMENT OF FORESTRY AND FIRE PROTECTION

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Tree Mortality Task Force Utilization—Market Development Working Group Agenda/Minutes

1/29/2016

9:00 AM-10:30 AM

Location: Room 1919, 801 K St., Sacramento, CA 95814

Conference Call: 1-800-857-5131

Passcode: 36241

1. Welcome and Instructions
2. Roll call of Working Group Members (name, affiliation)

Evan Johnson	CalRecycle
Kim Carr	CalFire
Jeff Bodde	CalTrans
Brian Stalker	CalRecycle
Stephen Bakken	State Parks
Steve Brink	CFA
Claire Jahns	CNRA
Julee Malinowski-Ball	Biomass Energy Alliance
Matt Henigan	GovOps
Jenny Lester-Moffit	CDFA
Debbie Franco	OPR
Julia Levin	Bioenergy Association of California
Larry Camp	Forest Landowners of California
Casey Walsh-Cady	CDFA
Angie Lottes	Northern California Prescribed Fire Council
Matt Plummer	PG&E
Darold Heikens	CalTrans
Larry Swan	USFS
Bob Kingman	Sierra Nevada Conservancy
Cedric Twight	SPI
Ken Murray	CalTrans
Jerry Bird	USFS
Stephanie	PG&E



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3. Approval of Minutes
4. Approval of Agenda
 - a. Meeting process and rules
 - b. Call for additional items
5. Update on action items
 - a. Assessment of wood quality to help identify possible uses. (CFA-done)
 - b. Coordinate with the Bioenergy Working Group to identify biomass volume initially from the southern Sierra and outline primary species and condition of wood (to support task above). (CalFire-preliminary results)
 - c. Coordinate storage locations and volumes with the Regulatory Working Group (identified lead to track and support storage sites) and the Mapping and Monitoring Working Group (identified to map sites). (CalRecycle-in progress)
 - d. Consider sort yards and/or biomass campuses as sites to store, host multiple biomass buyers and add value/develop end product
 - e. Research the potential of international markets for biomass. (CFA-done)
 - f. CalRecycle to compile and circulate relevant reports or links to reports that can help provide background information on uses and products. (CalRecycle-in progress)
 - g. CalRecycle provide map of current Chip & Grind infrastructure in and near the impacted areas. (CalRecycle-done)
 - h. Compile a list of opportunities to use existing state government mandates (e.g. DGS Management Memo including use of compost/mulch) to absorb material. (GovOps/All-in progress)

6. New Business

Action Items

- **Coordinate calls with county economic development leaders Evan Johnson:** Talk to economic development reps to identify wood product businesses that have expressed interest in siting in impacted regions, identify barriers.
- **Wood Pellets Evan to identify leader:** evaluate potential for industry. Call existing West Coast businesses. Are they interested? How quickly could they set up?
- **Ports and Rail Infrastructure Juliee Malinowski-Ball:** check with port facilities on taking forest biomass
- **Plywood Market Bob Kingman/Darold Heikens:** check with 2 existing plants (Roseberg Forest Products) for pine use (Steve B has contacts). Check with High-Speed Rail Authority on short-term need for plywood (Darold Heikens, Cal Trans will contact)
- **State Procurement Matt Henigan:** review all state wood products for new ideas



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- **Lessons Learned Evan Johnson:** identify market reports to support market development (GTR 906?); Research other areas impacted by tree mortality, including Colorado Rockies, British Columbia (large export facilities) to determine approach to addressing tree mortality biomass management
- **Solid Waste Infrastructure as Storage Evan Johnson:** get facilities list and GIS layer to M&M working group and regulations group and solid waste facility sites; Cal Recycle permit person talk to Regulatory Working Group
- **Innovation Opportunities Evan/Kim:** second meeting with Go Biz further developing idea
- **Business Grants and Loans Evan/Claire:** identify financial resources for new markets/innovative uses.

High-Level Summary

- Group needs to focus on immediate need, while developing long-term outlets/markets. Immediate need is local processing for wood.
- There is little use for long-dead trees, aside from mulch, pellets and energy. Pellets are an unlikely market due to the species of the trees, and excess capacity already in the west coast market, although this avenue will still be considered. Start making calls to industry. Need exploration of new business opportunities over long term.
- To make best use of trees, must be removed quickly, and in a way that preserves greatest value (long logs, stored properly).
- Other possible markets: state procurement for road signs, mulch, etc.; plywood possibly for high-speed rail; export to WA, OR or international
- Solid waste facilities in impacted areas may provide short-term storage relief, and existing chip-and-grind infrastructure may also be of use
- Funding exists to support innovative businesses/markets, and Go-BIZ and CalRecycle have expertise/infrastructure from which we can learn.

All Notes

- Centrally managed wood yards with registered professional forester are ideal, to sort to potential, highest use (Tuolumne County identified wood yard at Chinese Station near Ultra Power and other facilities, Albrecht will manage yard, rail in proximity); address mulch, compost and some interest in wood pellets (need small boiler to run dryer). Tuolumne facility is ideal, but not necessarily replicable in other areas.
- Wood pellets option; domestic market wants high quality Douglas Fir and desire saw residue; excess capacity in the west; export pellet market requires high amount of wood fiber and can't meet pricing; mobile plant option (Vegas using c and d, dry and avoided tipping fee; 40,000 tons, (mid-size plant) need \$ millions in capital costs; sell for 3 to 4



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months and need to store for other months plus cold winters; ACTION – evaluate potential for wood pellet industry, who?

- Export: MDI Forest Products (Tony Simms) buys and exports logs (Butte Fire salvage), take to McClellan base and debark and load containers and then to Oakland Port and export logs. Possible option.
- Stockton biomass facility with rail to ports? Too short of a haul but clean chips can be shipped to OR and WA; JMB check with them to take forest biomass
- Mobile plywood plant for use to build high speed rail as a possible 1 time use? Have 2 Green veneer plants and laid up in OR to make use of existing structure but prefer Fir not Pine (90% of TM); pine volatiles has emissions; ACTION – Bob Kingman check with 2 existing plants (Roseberg Forest Products) for pine use (Steve B has contacts) and HSR Authority (Darold Heikens, Cal Trans will contact)
- Merchandising cuts to match uses; longer logs are better; need 33' logs plus to increase use options, easier to stack and move (less costly); need log yard management to merchandise material.
- Woods contractor helps determine best use
- If wood products industry knew there were a longer-term supply, would have more interest in materials
- Caltrans need treated wood for signs, etc.; state procurement standards tend to favor Doug Fir; OR State product testing program to use other species in product; Caltrans could preference blue stain pine in product; Gov-Ops is focused on blue stain pine mulch; state has contractors that would love to have cleaner source of material than they currently have. ACTION – look into other products but Caltrans mulch and post is on-going, high volume; mulch needs local use but solid wood products can be transported, especially since need to be treated and likely central location; caution don't divert orchard waste to pine use; ACTION - identify state product list once more clear what wood stock consist of; review all state wood products for new ideas (Matt)
- Waiver of standards for solid waste facilities in state of emergency. CalRecycle to connect local enforcement authorities to Task Force county representatives to determine options for storage.
- ACTION – ALL - identify market reports to support market development (GTR 906?); Research other areas impacted by tree mortality, including Colorado Rockies, British Columbia (large export facilities) to determine approach to addressing tree mortality biomass management
- Most volume is low grade; blue stained pine market is rock bottom due to wildfire salvage
- Regulation group identifying storage yards, commercial defined as 10 acres or larger with commercial operations in proximity but need smaller for firewood uses, etc.
- 1 Composite particle board plant relying on mill shavings.



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- Ca Recycle market development zones, up to \$2m in loan in zone with waste destined for landfill
- Cal Recycle permitted stationary locations chip and grind facilities; store on-site, mostly yard and green waste; could accommodate temporary chipping and composting facilities
ACTION – Evan get facilities list and GIS layer to M&M working group and regulations group and solid waste facility sites; Cal Recycle permit person talk to Regulatory Working Group
- FS application for grinding facility south of Delano facility; 60 – 80,000 tons; worked with company on San Bernadino TM
- Go-Biz – scalable innovation challenge with entrepreneurs; workshops in key locations providing info on feedstock, permitting, locations and financial incentives (resources need to be identified for this and request to GO) to support quick launch; USDA Rural Development (Steven Nichols in Energy Program) programs may support this and have more programs with fewer restrictions; ACTION: Evan/Kim second meeting with Go Biz further developing idea
- Statewide Wood Energy Team undertook a similar incubator effort related to biomass energy. Rural Business Enterprise Grant/USDA funding
- FS and the TMTF uses are targeting high volume, quick start users; open to all options
- There is an immediate need for 1038K exemptions.
- Legislation an option? Would need spot bill in place soon
- ACTION – Evan and Claire to identify financial resources for new markets/innovative uses

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7. Closing Comments/Adjournment