June 30, 2023

Golden State Finance Authority
Attn: GSNR Scoping Comment
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Email: gsnr@gsnrnet.org

Re: Scoping Comments on the Reissued Notice of Preparation of a Draft Environmental Impact Report for the Golden State Natural Resources Forest Resiliency Demonstration Project

The undersigned 109 organizations, representing hundreds of thousands of members across California, the United States, and around the world, submit these comments strongly opposing the proposed Golden State Natural Resources (GSNR) wood pellet project. We believe this project will irrevocably harm our climate, communities, and forests, and urge that the best available science be utilized in assessing the impacts of this project.

The elimination of the Levin-Richmond terminal from consideration for the pellet export facility is the major change reflected in the Reissued Notice of Preparation (NOP), dated June 1, 2023, from the previous NOP that many of our organizations commented on last fall. The Reissued NOP also discloses that wood pellets may be transported by truck, not just rail, from the proposed Tuolumne pellet facility. Under the revised proposal, therefore, the entire wood pellet output – a projected million metric tons per year – would be transported via rail or truck to the port of Stockton for export to overseas markets. The Reissued NOP was not amended to address our concerns about the proposal's potential health, climate and environmental impacts, which we reiterate below.

We are particularly concerned about the unacceptable public health and safety harms that the GSNR wood pellet project would pose to the port community of Stockton. Wood pellet storage and handling operations at ports create substantial fire and explosion hazards.[1] Wood pellet piles are prone to spontaneous combustion, and fine wood dust released during pellet production, transportation and handling can "pose catastrophic fire and explosion hazards."[2] Repeated fires and explosions at wood pellet storage silos at ports across the Southeastern US have harmed residents with air pollution from fires that have burned for days, weeks, or months, and have injured or killed workers. As one of many examples, a fire at a wood pellet storage silo at Port

[1] See e.g., Environmental Integrity Project, Dirty Deception: How the Wood Biomass Industry Skirts the Clean Air Act (April 2018), https://environmentalintegrity.org/wp-content/uploads/2017/02/Biomass-Report.pdf
[2] https://www.osha.gov/news/newsreleases/region2/03132013-0

Arthur, Texas, burned for 102 days in 2017, sending smoke into the adjacent neighborhoods and causing the hospitalization of many residents.[3]

The port community of Stockton has one of the highest pollution burdens in California according to CalEnviroScreen, with residents suffering from high exposure to particulate matter; high rates of asthma, low birth weights, and cardiovascular disease; and a high poverty rate.[4] This community is already overburdened with pollution and should not be forced to face the significant health and safety risks from this proposed polluting project. Already, another port in California in a disadvantaged community—the Levin-Richmond Terminal—has rebuffed the GSNR proposal due to concerns raised by residents to the Richmond City Council about the project's health and safety risks to the surrounding community. Where is GSNR's next choice? The Port of Stockton, where there's a high pollution burden in a disadvantaged community.

Wood pellets are a highly carbon-intensive, polluting, expensive, and inefficient energy source that have no place in a clean energy future. Burning wood for electricity releases more carbon emissions at the smokestack than fossil fuels, including coal, per unit of energy produced.[5] Numerous studies show that it takes decades to a century or more for cut forests to re-sequester the amount of carbon emitted from logging and burning woody biomass for energy, even when forest "residues" (*i.e.* "waste") are burned.[6] Producing wood pellets is extremely carbon-intensive because the wood must be debarked, chipped, dried, pulverized, and compressed into pellets. Wood pellet production facilities also emit toxic air pollution that harms public health. These facilities are often concentrated in communities of color and low-income communities, worsening environmental injustice.

GSNR proposes to build two of the country's largest wood pellet production facilities in California and ship the pellets overseas to be burned in converted coal-fired power plants. If built, this project will worsen the climate crisis and harm public health at every stage of the harvest, production, transport, and combustion process. The project would significantly increase logging of California's forests, releasing their stored carbon at a time when we must increase forest protection and forest carbon storage. Significant greenhouse gas emissions and air pollution would be emitted at every step – from cutting forests, trucking cut trees long distances

[3] https://www.courthousenews.com/residents-go-court-months-long-texas-plant-fire/
[4] https://oehha.ca.gov/calenviroscreen
[5] *See e.g.* Mary S. Booth, Trees, Trash, and Toxics: How Biomass Energy Has Become the New Coal, Partnership for Policy Integrity (Apr. 2014), Table 1 at 16, https://www.pfpi.net/wp-content/uploads/2014/04/PFPI-Biomass-is-the-New-Coal-April-2-2014.pdf
[6] *See generally* Mary Booth, Not carbon neutral: Assessing the net emissions impact of residues burned for bioenergy, Environ. Res. Lett. 13 (2018), https://iopscience.iop.org/article/10.1088/1748-9326/aaac88; Jerome Laganiere et al., Range and uncertainties in estimating delays in greenhouse gas mitigation potential of forest bioenergy sourced from Canadian forests, GCB Bioenergy 9: 358-369 (2017), https://doi.org/10.1111/gcbb.12327; John Sterman et al., Does wood bioenergy help or harm the climate?, 78 Bulletin of the Atomic Scientists 128 (2022), https://doi.org/10.1080/00963402.2022.2062933.

in hundreds of daily trips, chipping wood and producing pellets, transporting pellets by truck or rail hundreds of miles to ports, and then shipping pellets overseas to countries in Asia and Europe that currently incentivize woody biomass energy.[7] This project does not make sense as "climate mitigation." There is a scientific consensus in the U.S. and internationally that burning wood is not categorically "carbon neutral." As climate policies catch up with the science, many states and countries are revising their biomass energy policies to reduce or eliminate incentives for wood-burning.[8]

The proposed wood pellet production facilities are projected to produce *one million metric tons* of wood pellets each year (700,000 metric tons/year at the Lassen facility and 300,000 metric tons/year at the Tuolumne facility) – making these two facilities as big as the polluting Enviva facilities in the Eastern United States. The wood pellet industry in the Southeastern U.S. has already devastated forests and negatively impacted the climate and community health, particularly for low-income communities and communities of color.[9] This project is unique in that it is being advanced by elected county officials in partnership with a state agency. California, considered a climate-forward state, should not be promoting this destructive and carbon-intensive industry with its attendant health and environmental justice impacts.

The Environmental Impact Report Must Fully Evaluate the Many Significant Lifecycle Impacts from the Proposed Project.

Greenhouse Gases and Air Quality: The Environmental Impact Report (EIR), which is required under the California Environmental Quality Act (CEQA), must fully evaluate the substantial greenhouse gas and air pollution from the project across its lifecycle. The EIR analysis must account for biogenic and fossil fuel carbon emissions from cutting forests, wood transportation, wood pellet production, pellet transport, storage, and combustion.[10] Full accounting must include greenhouse gasses (*e.g.*,CO_2, N_2O, and CH_4), criteria pollutants (*e.g.* PM, NOx, SOx, and CO), diesel particulate matter, heavy metals (*e.g.* lead, mercury), and hazardous air pollutants (*e.g.* benzene, toluene, formaldehyde, dioxins), as well as dust and ash.

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[7] Sami Yassa and Nathanael Greene. 2021. A Bad Bet for Biomass: Why the Leading Approach to Biomass Energy with Carbon Capture and Storage Isn't Carbon Negative , https://www.nrdc.org/sites/default/files/bad-biomass-bet-beccs-ib.pdf.

[8] *See e.g.* IPCC Task Force on National Greenhouse Gas Inventories, Frequently Asked Questions, Q2-10, https://www.ipcc-nggip.iges.or.jp/faq/faq.html; Commentary by the European Academies' Science Advisory Council on Forest Bioenergy and Carbon Neutrality (June 2018), https://easac.eu/publications/details/commentary-on-forest-bioenergy-and-carbon-neutrality/; EPA Science Advisory Board (SAB), SAB Review of EPA's Accounting Framework for Biogenic CO_2 Emissions from Stationary Sources (September 2011), SAB-12-011 (September 28, 2012), https://nepis.epa.gov/Exe/ZyPURL.cgi?Dockey=P100RNZG.TXT

[9] Stefan Koester and Sam Davis, Siting of wood pellet production facilities in Environmental Justice communities in the Southeastern United States, Environmental Justice 11: 64-70 (2018), http://doi.org/10.1089/env.2017.0025; see also Christopher Tessum, et al., PM2.5 polluters disproportionately and systemically affect people of color in the United States, Science Advances 7: 18 (2021), https://www.science.org/doi/10.1126/sciadv.abf4491.

[10] *See* Yassa & Greene, *supra* note 7.

Greenhouse gas and air pollution emissions will be emitted during project construction, including construction of wood pellet production facilities, storage silos, rail spurs (connecting facilities to rail lines), and any purpose-built export terminals at deep-water ports. The long-term operation of the project will emit significant daily greenhouse gas and air pollution emissions from:

- Loss of forest carbon, including soil carbon, from logging operations, including salvage logging;
- Chipping trees and other forest materials on site, or at wood chipping facilities;
- Trucking forest materials, with an estimated 285 daily truck trips to feed pellet facilities, traveling within a 100-mile radius from facilities;
- Storing woody materials (which releases methane, dust, and fine particles);
- Drying and processing wood to make pellets (including wood burning for pellet drying)
- Transporting pellets hundreds of miles to the Port of Stockton by truck or rail;
- 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;
- Shipping pellets thousands of miles overseas to markets in Asia and/or Europe; and,
- Greenhouse gas emissions from pellet combustion that have not been previously accounted as a loss of forest carbon.

In order to assess the full greenhouse gas emissions impact of this project, the EIR must analyze the anticipated loss of forest carbon stocks at a landscape level resulting from removing materials to produce wood pellets, and how this will impact California's forest carbon flux and its ability to achieve its net zero climate goals. The EIR needs to analyze the air quality impact of the project and the cumulative air quality impacts to the SJV given the nonattainment status of the air basin for ozone and PM2.5. This oversight is emblematic of California's decades-long pattern of clustering undesirable projects in disempowered and disadvantaged communities like South Stockton and should be shelved for that reason alone.

Environmental Justice: The EIR must evaluate project impacts to communities of color and low-income communities. Specifically, the EIR should analyze the EJ impacts of the project for consistency with CEQA, Title VI of the Civil Rights Act (42 U.S.C. section 2000d), and California Government Code section 11135. The proposed deep-water port site – the Port of Stockton – has some of the highest pollution burdens in the state according to CalEnviroScreen, with high exposure to particulate matter; high rates of asthma, low birth weights, and high cardiovascular disease; high poverty rates; and majority Hispanic populations. Construction and operation of wood pellet storage and handling facilities, along with increased truck and rail traffic through neighborhoods surrounding the Port of Stockton, this project will entail a massive increase in ocean going vessel traffic, the dirtiest engines in our community which all told will

categorically increase these already disproportionate burdens. The Tuolumne wood pellet production site also has a higher-than-average pollution burden, with a high poverty rate, and high rates of asthma and cardiovascular disease.

Biological Resources: The project proposes to cut and remove trees and other forest materials, of *any* type and size, under the category of "roundwood," within a 100-mile radius of each pellet facility. Under a 20-year agreement with the US Forest Service, GSNR may use logged trees and other forest materials from all 18 national forests in California as feedstock for the pellet mills. The EIR must fully evaluate the harms to forest ecosystems from cutting and clearing trees and other habitat, and how this habitat clearance will impact sensitive, threatened, and endangered species and forest ecosystems.[11]

Wildfire: The project is justified as a way to reduce "the growing rate of wildfires in California." The EIR must evaluate the full breadth of research, much of which demonstrates that thinning forests is not effective for reducing wildfire "rate" or intensity, protecting communities during wildfire, or cutting climate-heating emissions. Instead, broad-scale thinning releases more carbon emissions than it prevents from being released in a wildfire, while degrading forests.[12]

Hazards and Hazardous Materials: The EIR must analyze the risks to workers and nearby communities from fires and explosions resulting from wood pellet facility operations, pellet storage, and transportation, including at the Port of Stockton.

Noise: As noted in the public scoping meeting for the first NOP, GSNR expects a combined 285 daily truck trips given that it expects to operate the facilities nearly continuously. The Revised NOP reveals that additional truck traffic is foreseeable between the Tuolumne facility and the Port of Stockton. The EIR must evaluate the potential noise impacts on local communities – including on environmental justice communities – that would arise from hundreds of additional daily truck trips through small rural communities and the Stockton area. In addition to this large number of truck trips, the EIR must evaluate noise impacts from facility operations, as well as noise impacts from extra railcars and train trips.

Energy: The EIR must fully evaluate the potential impacts the proposed facilities will have on the electrical grid. The factual record is currently unclear as to the expected electric demand necessary to operate the two facilities continuously; however, given their large size, it is likely that they will require significant energy inputs. The EIR should evaluate the total energy needs for the two facilities, the appropriate transmission connection, and whether additional demand

[11] See Southern Environmental Law Center. Satellite images show link between wood pellet demand and increased hardwood forest harvesting, https://www.southernenvironment.org/wp-content/uploads/2022/04/Biomass-White-Page.pdf.

[12] Beverly E. Law at al., Creating strategic reserves to protect forest carbon and reduce biodiversity losses in the United States, 11 Land 721 (2022), https://doi.org/10.3390/land11050721.

will result in transmission congestion (or otherwise have the potential to overload transmission lines), as well as whether a substation must be constructed.

Hydrology and Water Quality: The EIR must fully evaluate impacts to hydrology and water quality, including but not limited to: whether the facilities' operation (including logging activities) would impact ground-water levels or aquifer recharge rates; and whether the facilities' operation (including logging activities) would impact surface and ground-water quality. Additionally, if the facilities will require water in their production processes, the EIR must evaluate the expected water demand and whether special contracts with the counties are necessary to ensure the water demand would not impact overall water supply for local communities. If a will-serve letter is required, include the letter in the DEIR to demonstrate that sufficient water is available for operations.

Cumulative Impacts: The EIR must take into account all existing and proposed projects and developments in their geographic proximity. Section 15355 of CEQA defines a cumulative impact as the condition under which "two or more individual effects which, when considered together, are considerable or which compound or increase other environmental impacts." The EIR must seriously consider any potential cumulative impacts that the construction and operation of two wood pellet facilities would have on the local environment. The EIR should also examine the cumulative impacts of extra truck, rail, and port use at the Port of Stockton on residents in already pollution-burdened communities.

The Environmental Impact Report Must Consider Project Alternatives. The EIR must consider project alternatives, including the "no action" alternative, which must assess carbon sequestration and ecological benefits of leaving forests standing.

Thank you for the opportunity to provide scoping comments on the proposed project.

Sincerely,

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