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June 29, 2023

**Via Electronic Mail Only**

Golden State Finance Authority  
Attn: GSNR Scoping Comment  
1215 K Street, Suite 1650  
Sacramento, CA 95814

E-Mail: [gsnr@gsnrnet.org](mailto:gsnr@gsnrnet.org)

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

To Whom it May Concern:

This firm represents the Natural Resources Defense Council (“NRDC”) in connection with NRDC’s opposition to the Golden State Natural Resources Forest Resilience Demonstration Project (the “Project”). Biofuelwatch, Southern Environmental Law Center, Sierra Club California, Dogwood Alliance, Partnership for Policy Integrity, and Center for Biological Diversity also join in the comments set forth below.

We submitted comments on a previous version of the Notice of Preparation (“NOP”) for this Project on December 17, 2022. The Reissued NOP is almost identical to the previous NOP. Accordingly, our December 17, 2022 comments remain applicable to the Reissued NOP, and are hereby incorporated by reference in their entirety. For the reasons set forth in those comments, the Reissued NOP remains inadequate in describing the Project, its environmental setting, and its environmental impacts.

The Reissued NOP differs in three respects from the prior NOP: (1) it identifies the Port of Stockton as the location from which pellets will be shipped, (2) it discloses that pellets may be transported from the Tuolumne pellet plant to the Port of Stockton by truck, not just rail, and (3) it identifies a specific parcel for feedstock storage at the Lassen pellet plant. Additional comments addressing the changes to the NOP and supplementing our December 17, 2022 comments follow.

## I. Impacts Related to Port of Stockton Facilities and Activities

The Reissued NOP identifies the Port of Stockton as the location from which wood pellets will be shipped to overseas markets. The Reissued NOP also discloses that trucks (rather than rail) may be used to transport pellets to the Port from the Tuolumne facility.<sup>1</sup>

The EIR must accurately reflect the Project's environmental setting and must account for both direct and cumulative impacts. The Port of Stockton is located in a community that already bears a disproportionate share of environmental and economic burdens. CalEnviroScreen 4.0 classifies the Port and surrounding areas at above the 90th percentile in overall economic and environmental burdens; the community immediately surrounding the Port is in the 99th percentile statewide for pollution burdens, the 99th percentile for impaired waters, the 91st percentile for diesel particulate matter exposures, and the 96th percentile for asthma.<sup>2</sup> The Port and surrounding areas also are classified as disadvantaged communities for purposes of SB 535,<sup>3</sup> and as disadvantaged and low-income communities for purposes of AB 1550 (the California Air Resources Board's Climate Investment program).<sup>4</sup>

As expressed by several community members at the June 20, 2023 virtual scoping hearing, the Golden State Finance Authority's failure to conduct outreach and to hold a scoping hearing in the communities surrounding the Port of Stockton violated basic principles of environmental justice. The draft EIR should not move forward unless and until GSFA has corrected this oversight.

Construction of purpose-built facilities at the Port, along with transportation, handling, and shipment of pellets through the Port, may have significant impacts on communities and the environment. Construction, operations, and transportation activities at the Port will likely emit PM 10 and PM 2.5 (including diesel particulate matter and wood dust) and toxic air contaminants and will contribute to ozone pollution.

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<sup>1</sup> Reissued NOP at 2 ("Trucks may alternatively be used to transport pellets from the Tuolumne site.").

<sup>2</sup> See <https://oehha.ca.gov/calenviroscreen/report/calenviroscreen-40>; see also maps attached as Exhibit A.

<sup>3</sup> See <https://oehha.ca.gov/calenviroscreen/sb535>; see also maps attached as Exhibit A.

<sup>4</sup> See <https://gis.carb.arb.ca.gov/portal/apps/experiencebuilder/experience/?id=6b4b15f8c6514733972cabdda3108348>; see also maps attached as Exhibit A.

Accordingly, the EIR must contain all of the following:

- A description of the location and nature of Port facilities, including rail spurs, storage structures, truck and rail loading and unloading areas and equipment, berthing facilities, pellet handling and loading equipment.
- A description of all foreseeable transportation routes for both truck and rail shipments from both pellet plants to the Port.
- A description of the number and type of ships that may be used to transport pellets that accurately reflects the depth of the channel, the capacity of the ships, and the availability of berths. The EIR also must describe the amount of time each ship will remain at berth, and details of ship operations while berthed and in transit through the Port, the Delta, and San Francisco Bay.
- Full air pollution inventories for all stationary and mobile sources (including emissions from trucks, railroad engines and ships) during both construction and operation.
- Analysis of the correlation between emissions estimates and health impacts. (*Sierra Club v. County of Fresno* (2018) 6 Cal.5th 502, 519-22.)
- Health impact analyses at sensitive receptors (including homes, schools, daycares, and medical facilities) located near Port facilities and along transportation routes.
- An analysis of the Project's consistency or inconsistency with the San Joaquin Valley Air Pollution Control District's Community Emissions Reduction Plan for the area.<sup>5</sup> (See CEQA Guidelines § 15125(d).)
- An analysis of hazards and safety issues associated with Project transportation and facilities, including the potential for fires and explosions associated with pellet storage.<sup>6</sup>
- An analysis of noise from Port facility construction and operations and from transportation, including but not limited to increases above ambient conditions and single-event noise.

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<sup>5</sup> See <https://community.valleyair.org/selected-communities/stockton/>.

<sup>6</sup> See, e.g., Environmental Integrity Project, *Dirty Deception: How the Wood Biomass Industry Skirts the Clean Air Act* at 30-31 and endnotes 94-103 (April 2018), <https://environmentalintegrity.org/wp-content/uploads/2017/02/Biomass-Report.pdf>.

- A water supply analysis for the Port facilities (including will-serve letters as applicable).
- An analysis of water quality impacts (including stormwater and sewer system discharges).
- A comprehensive energy impact analysis. (See CEQA Guidelines § 15126.2 & Appendix F.)
- A description and analysis of feasible mitigation measures and alternatives—including the no-project alternative—that could reduce or avoid significant environmental impacts.

## II. Air Quality Impacts from Pellet Manufacturing and Processing

Pellet manufacturing facilities emit a range of air pollutants, including dust and particulate matter from wood chipping and feedstock storage, diesel particulates and dust associated with trucking and deliveries of feedstocks, combustion emissions from burning of wood and residues to heat dryers, combustion emissions from natural gas, off-site emissions associated with electricity demand, and hazardous air pollutants and VOCs from all stages of pellet manufacture (including not only dryers but also hammermills, pellet presses, and pellet coolers).<sup>7</sup> The EIR must accurately disclose and analyze all emissions associated with construction and operation of the pellet plants, including mobile source emissions, and must correlate those emissions with potential health impacts. The EIR also must identify feasible mitigation and alternatives that could reduce or avoid significant impacts, including but not limited to requiring covers on all trucks and rail cars transporting logs, chips, and pellets.

## III. Forest and Climate Impacts

Comments on the prior version of the NOP—and additional comments at the June 20, 2023 virtual scoping hearing—detailed the profound damage that the export-oriented wood pellet industry has done to forests in the Southeastern United States. This Project would create an ongoing demand for logging to produce up to one million tons of wood pellets for export *every year*.<sup>8</sup> The EIR must examine whether creating this

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<sup>7</sup> See Environmental Integrity Project, *supra* note 6 at 5-7.

<sup>8</sup> According to a “Wood Products Infrastructure Assistance” grant application GSNR submitted to the U.S. Forest Service for fiscal year 2022, the Project will require 1.9 million green tons of feedstock from timber operations on 40,000 acres *each year* to

additional demand will affect *currently existing* levels and methods of timber harvest in the forests within each facility’s “woodshed,” and must assess any and all environmental impacts of any change this Project may cause.

Prior comments also detailed the need for accurate and comprehensive accounting and analysis of carbon stocks and greenhouse gas emissions across all aspects of the Project, including timber harvest, feedstock transportation and storage, pellet manufacture, transportation and shipping of pellets, and combustion of pellets by their ultimate consumers (coal-fired power plants in Asia and Europe).<sup>9</sup>

Accurate analysis of carbon stock changes and greenhouse gas emissions is particularly critical here given the Project’s likely reliance on “green” wood (i.e., living trees) for pellet feedstock. A feasibility analysis prepared by FutureMetrics for this Project dated July 6, 2020 estimated that *all* of the wood used for pellet production would be “green tree” roundwood or chips; “mortality” wood would be used only for combined heat and power applications at the pellet manufacturing facilities.<sup>10</sup> At the June 20, 2023 scoping hearing, the environmental consultant stated that “slash” and other residual wood comprising about 15 percent of each pellet plant’s total usage would be burned to heat the wood dryers; this statement appears to confirm that 85 percent of the facilities’ feedstock would come from “green” roundwood and chips. As discussed in our comments on the prior NOP, woody biomass combustion—but particularly “green” roundwood and chips—cannot be assumed to be “carbon neutral” over any time frame relevant to mitigating the impacts of climate change. Absent harvest, those trees would have continued to store and sequester carbon in the forest. This Project, in contrast, will convert those terrestrial carbon stocks to atmospheric greenhouse gas emissions over a very short time frame.

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produce 1 million tons of pellets. The grant application states that 65 percent of the feedstock will come from federal lands, but it does not specify where the other 35 percent would be sourced.

<sup>9</sup> Although combustion of the Project’s wood pellets would occur outside California and the United States, emissions of climate pollutants from pellet combustion contribute to the *global* effects of climate change, which is directly affecting California’s environment.

<sup>10</sup> FutureMetrics, *An Analysis of the Feasibility of Producing and Exporting Wood Pellets from Two Northern and Central California Sites* at 11 (July 6, 2020).

#### IV. Conclusion

This Project threatens the climate as well as forests and communities throughout California. NRDC remains staunchly opposed to this environmentally irresponsible and economically unsupportable Project. We once again respectfully urge GSFA not to proceed further with it.

Thank you for your consideration of these comments.

Very truly yours,

SHUTE, MIHALY & WEINBERGER LLP



Kevin P. Bundy

Encl.: Exhibit A (maps)  
cc: Brian Briggs, GSFA Counsel (via email)

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# **Exhibit A**

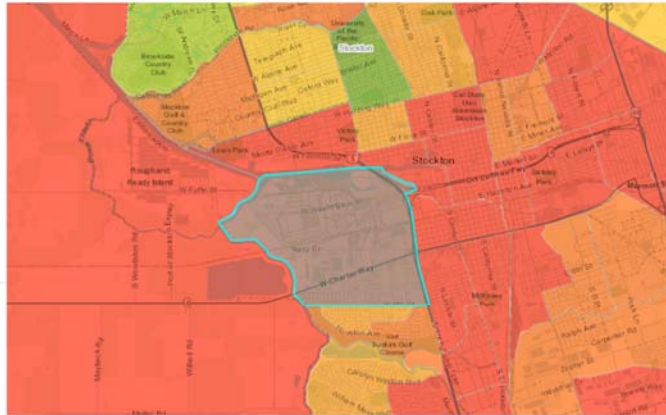
## **CalEnviroScreen, SB 535, and AB 1550 Maps**

### CalEnviroScreen 4.0 Maps

CalEnviroScreen Port of Stockton



CalEnviroScreen 4.0 High Pollution, Low Population



**Census Tract: 6077000801 (Population: 7,624)**

The results for each indicator range from 0-100 and represent the percentile ranking of census tract 6077000801 relative to other census tracts.

**Overall Percentiles**

CalEnviroScreen 4.0 Percentile	99
Pollution Burden Percentile	99
Population Characteristics Percentile	92

**Exposures**

Ozone	47
Particulate Matter 2.5	58
Diesel Particulate Matter	91
Toxic Releases	83
Traffic	63
Pesticides	70
Drinking Water	42
Lead from Housing	52

**Environmental Effects**

Cleanup Sites	90
Groundwater Threats	97
Hazardous Waste	77
Impaired Waters	99
Solid Waste	85

**Sensitive Populations**

Asthma	96
Low Birth Weight	82
Cardiovascular Disease	89

**Socioeconomic Factors**

Education	87
Linguistic Isolation	71
Poverty	84
Unemployment	53
Housing Burden	59



**Race/Ethnicity Profiles**  
 1 of 1  
 Hover your mouse over the pie chart segment to see the race/ethnicity in percentages and approximate counts.



**Age Profiles**  
 1 of 1  
 Hover your mouse over the pie chart segment to see the age characteristics in percentages and approximate counts.



CalEnviroScreen Rough and Ready Island



CalEnviroScreen 4.0 High Pollution, Low Population



**Census Tract: 6077003900 (Population: 1,518)**

The results for each indicator range from 0-100 and represent the percentile ranking of census tract 6077003900 relative to other census tracts.

**Overall Percentiles**

CalEnviroScreen 4.0 Percentile	93
Pollution Burden Percentile	88
Population Characteristics Percentile	89

**Exposures**

Ozone	47
Particulate Matter 2.5	46
Diesel Particulate Matter	25
Toxic Releases	34
Traffic	8
Pesticides	92
Drinking Water	94
Lead from Housing	56

**Environmental Effects**

Cleanup Sites	34
Groundwater Threats	99
Hazardous Waste	73
Impaired Waters	99
Solid Waste	64

**Sensitive Populations**

Asthma	65
Low Birth Weight	93
Cardiovascular Disease	48

**Socioeconomic Factors**

Education	88
Linguistic Isolation	76
Poverty	89
Unemployment	N/A
Housing Burden	N/A



**Race/Ethnicity Profiles**  
 Hover your mouse over the pie chart segment to see the race/ethnicity in percentages and approximate counts.

1 of 1



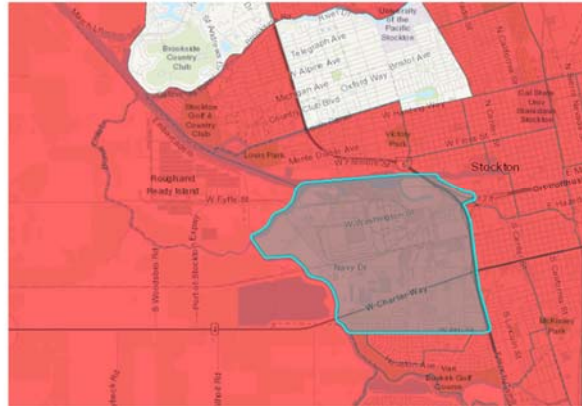
**Age Profiles**  
 Hover your mouse over the pie chart segment to see the age characteristics in percentages and approximate counts.

1 of 1

### SB 535 Maps

**Port of Stockton**

SB 535 Disadvantaged Communities 2022 (Census Tracts and Tribal Areas)

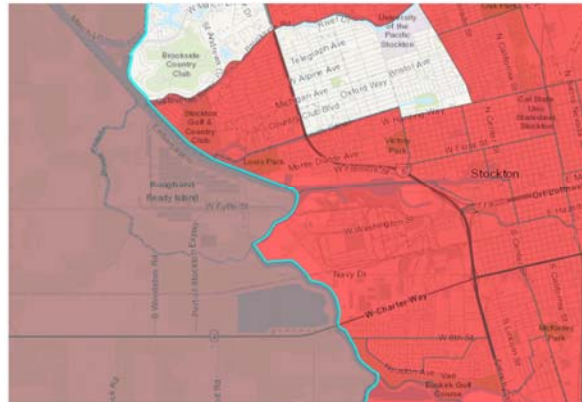


**SB 535 Disadvantaged Communities 2022**

Census Tract	6077000801
ZIP	95203
Population	7,624
County	San Joaquin
CalEnviroScreen 4.0 Percentile	99.4
Disadvantaged Communities Category	CalEnviroScreen 4.0 Top 25%

**Rough and Ready Island**

SB 535 Disadvantaged Communities 2022 (Census Tracts and Tribal Areas)



**SB 535 Disadvantaged Communities 2022**

Census Tract	6077003900
ZIP	95206
Population	1,518
County	San Joaquin
CalEnviroScreen 4.0 Percentile	93.5
Disadvantaged Communities Category	CalEnviroScreen 4.0 Top 25%

## AB 1550 Map

