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# 1 Introduction

## 1.1 Purpose and Intended Use of this EIR

Golden State Finance Authority (GSFA or Authority) serves as the lead agency for implementation of the Golden State Natural Resources Forest Resiliency Demonstration Project (project) and has prepared this Draft Environmental Impact Report (Draft EIR) to inform responsible agencies, trustee agencies, other interested public agencies including local Native American tribes, and the general public regarding the potential significant environmental effects resulting from project implementation. This Draft EIR was prepared in compliance with the California Environmental Quality Act (CEQA) (California Public Resources Code, Section 21000 et seq.), and the CEQA Guidelines (14 CCR 15000 et seq.).

As described in CEQA Guidelines Section 15121(a), an EIR is an informational document that assesses potential environmental impacts of a proposed project, as well as identifies mitigation measures and alternatives to a proposed project that could reduce or avoid adverse environmental impacts. As the CEQA lead agency for this project, the GSFA is required to consider the information in the EIR along with any other available information in deciding whether to approve the project entitlements requested. The basic requirements for an EIR include providing information that establishes the environmental setting (or project baseline), and identifying environmental impacts, mitigation measures, project alternatives, growth inducing impacts, and cumulative impacts. In a practical sense, an EIR functions as a method of fact-finding, allowing an applicant, the public, other public agencies, and agency staff an opportunity to collectively review and evaluate baseline conditions and project impacts through a process of full disclosure. Additionally, this EIR provides the primary source of environmental information for the lead agency to consider when exercising any permitting authority or approval power directly related to implementation of this project. It is not the intent of an EIR to recommend either approval or denial of a project.

Responsible agencies, including Lassen County, Tuolumne County, and the Port of Stockton will rely on this EIR when taking action on those components of the project within their jurisdiction. See Chapter 2 for further discussion of necessary entitlements and approvals for the project.

## 1.2 Project Background and Overview

GSFA is a governmental entity that has led numerous project financing efforts in California since its creation in 1993. GSFA and its affiliate, Rural County Representatives of California (RCRC), established Golden State Natural Resources (GSNR), a California benefit corporation and nonprofit organization, in 2019. GSNR was created for the purposes of implementing a robust forest resiliency initiative with a mission to enhance quality of life, public safety, economic development, and the environment in California. Specifically, the GSNR Forest Resiliency Demonstration Project, which is further described in Chapter 2, “Project Description,” would involve removal of high hazard fire fuels in California’s forests, manufacturing of pelletized fuel products at new processing facilities in rural California, and exportation of produced pellets to for use in energy generation in Europe and Asia. By transforming excess and unmarketable fire fuels into a marketable wood product, GSNR aims to create fire resilient landscapes and fire adaptive communities.

In October 2019, GFSFA executed a 20-year Master Stewardship Agreement (MSA) with the US Forest Service (USFS) which provides for mutual benefit and interests between GSFA and the USFS for the purpose of achieving resilient

forests within US Forest Service Region 5 including 18 of the twenty national forests located in California. The MSA provides that GSFA may elect to have GSNR perform forest treatment work under the MSA on GSFA's behalf. The proposed project includes providing such authorization to GSNR, and establishing a framework for GSFA to approve individual Supplemental Project Agreements for specific forest treatment projects under the MSA, to be performed by GSNR. In addition to USFS national forest land, GSNR intends to obtain low value biomass from additional sources, such as state and private forests, Senate Bill 901 fire fuel reduction grant recipients, as well as Fire Safe Council and Resource Conservation District work, further reducing landfill impacts and reducing the need for the traditional burn piles and emissions to dispose of this biomass.

As described above, GSFA serves as lead agency for implementation of the project. The GSFA Board of Directors is comprised of forty elected California county supervisors, who have ultimate responsibility for approving and supervising the proposed project. The proposed project will be carried out jointly as a public-private partnership between GSFA and GSNR, with GSFA providing approval, supervision, and financing, and GSNR executing project operations. GSFA's responsibilities for the proposed project include:

- Creating GSNR as a nonprofit corporation, and appointing two members of its Board of Directors. (The other current directors are appointed by GSFA's affiliate, RCRC.)
- GSFA's Executive Director serves as President of GSNR, with executive responsibility for all of GSNR's operations. (All of GSNR's staffing is provided by GSFA and its affiliate, RCRC.)
- Subcontracting responsibilities under the MSA to GSNR through the public-private partnership agreement, establishing conditions for the exercise of those functions, and overseeing GSNR's performance.
- Approving Supplemental Project Agreements under the MSA, and subcontracting those treatment projects to GSNR, including establishing conditions for performance of that work and overseeing GSNR's activities.
- Providing startup funding to GSNR, consisting of an \$11.75 million loan to GSNR (to fund feasibility studies and other predevelopment activities).
- Providing conduit financing for implementation of the Forest Resiliency Demonstration Project, through issuance of bonds.
- Approving all sources of harvest residuals procured and used by GSNR, and all biomass-only thinning projects undertaken by GSNR (as further described in Section 2.4).

The GSFA Board of Directors will determine whether the project proceeds, and under what conditions. In sum, GSFA is both the public member of the partnership that will carry out the proposed project, and the public agency with the greatest responsibility for supervising and approving the project as a whole, and therefore must act as lead agency for purposes of CEQA.

## 1.3 EIR Process

### Notice of Preparation

In accordance with CEQA Guidelines Section 15082, a Notice of Preparation (NOP) was circulated for public and agency review in November 2022. In response to comments and discussions with responsible agencies, a Revised Notice of Preparation was released in June 2023. The purpose of the NOP is to provide notification that an EIR for the proposed project is being prepared and to solicit guidance on the scope and content of the document. A summary of the substantial environmental comments received on the NOP is included in the Executive Summary,

as well as in the introduction of each technical section in Chapter 3. The NOP and comments received thereon are included in Appendix A to this EIR.

## Draft EIR and Public Review

This Draft EIR is being circulated for public review and comment for a period of 60 days. Please refer to the Notice of Availability for the comment deadline, locations where physical copies of the Draft EIR are available, and public meetings to receive comment on the Draft EIR.

Written comments may be sent to:

Golden State Finance Authority  
Attn: GSNR DEIR Comment  
1215 K Street, Suite 1650  
Sacramento, California 95814  
Email: [gsnr@gsnrnet.org](mailto:gsnr@gsnrnet.org)  
Website: <https://goldenstatenaturalresources.com/local-forest-resilience-projects/>

The public can review the Draft EIR and supporting documents at the following address during normal business hours (Monday through Friday, 8 a.m. to 4 p.m.) or on the Authority's website at:

<https://www.gsfahome.org/programs/ed/forest-resiliency.shtml>

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

## Final EIR and EIR Certification

Upon completion of the Draft EIR public review period, a Final EIR will be prepared that will include written comments on the Draft EIR received during the public review period and the Authority's responses to those comments. The Final EIR will include any revisions to the Draft EIR made in response to agency or public comments, and may include additional information at the discretion of GSFA. Before GSFA can approve the project, it must first certify that the EIR has been completed in compliance with CEQA, that the Board of Directors has reviewed and considered the information in the EIR, and that the EIR reflects the independent judgment of GSFA. The Board of Directors is also required to adopt Findings of Fact and a Statement of Overriding Considerations (for any significant and unavoidable impacts) explaining the decision to balance the benefits of the project against unavoidable environmental impacts if it approves the project (see also Public Resources Code Section 21081). When approving the project, GSFA shall adopt a Mitigation Monitoring / Reporting Program (MMRP) prepared in accordance with Section 21081.6 of the Public Resource Code.

## Type of EIR and EIR Adequacy

This EIR is a hybrid: it encompasses project-level environmental review of the "Wood Pellet Production" and "Transport to Market" phases of the project, while serving as a program EIR for the "Feedstock" phase (see *Make UC A Good Neighbor v. Regents of University of California* (2023) 88 Cal.App.5th 656 regarding the use of a program/project hybrid EIR). These phases are described in greater detail in Chapter 2, "Project Description".

The level of detail contained throughout this EIR is consistent with Section 15151 of the CEQA Guidelines, which states the following:

An EIR should be prepared with a sufficient degree of analysis to provide decision makers with information which enables them to make a decision which intelligently takes account of the environmental consequences. An evaluation of the environmental effects of a proposed project need not be exhaustive, but the sufficiency of an EIR is to be reviewed in the light of what is reasonably feasible. Disagreement among experts does not make an EIR inadequate, but the EIR should summarize the main points of disagreement among the experts. The courts have looked not for perfection but for adequacy, completeness, and a good faith effort at full disclosure.

With regard to the Feedstock phase, CEQA Guidelines Section 15168(a) notes that a program EIR is appropriate when activities can be characterized as part of one large project and are related either: (1) Geographically, (2) A logical parts in the chain of contemplated actions, (3) In connection with issuance of rules, regulations, plans, or other general criteria to govern the conduct of a continuing program, or (4) As individual activities carried out under the same authorizing statutory or regulatory authority and having generally similar environmental effects which can be mitigated in similar ways. The overall program is described in this EIR, including the geographic area and the types of activities that may be undertaken. As described further below, as the project and site-specific details are developed for subsequent activities, they will be reviewed in light of this EIR.

### **Use of EIR in Connection with Site-Specific Review of Vegetation Management and Feedstock Procurement Activities**

As discussed above, the Feedstock phase of the project is, by its nature, a programmatic analysis. In accordance with CEQA Guidelines Section 15168(c) for later activities GSFA must evaluate the later activities associated with each subsequent feedstock project to determine whether such activities have been analyzed in this EIR. If GSFA finds that the impacts were analyzed in this EIR and no new or substantially more severe significant effects could occur or no new mitigation measures would be required for a subsequent treatment project, the project can be found to be within the scope of this EIR. In this circumstance, no additional CEQA documentation would need to be prepared or publicly circulated (CEQA Guidelines Section 15168[c][2] and [4]).

As discussed in greater detail in Section 2.4, a written checklist or similar document may be used to evaluate subsequent site specific activities. This documentation would provide the substantial evidence required to make a finding that such activities are “within the scope” of this EIR. If the later activity is approved, GSFA would file a Notice of Determination.

Under this CEQA compliance approach, a subsequent project must incorporate all project development features relevant to the proposed activity and all feasible mitigation measures from the EIR into the later activity, as needed, to address significant or potentially significant effects on the environment.

If a proposed subsequent project is not within the scope of this EIR, then GSFA may prepare additional environmental documentation that accompanies this EIR for CEQA compliance. If a later EIR is prepared, it could be limited in its scope to the new or substantially more severe significant impact and could require additional CEQA documentation, per CEQA Guidelines Sections 15162, 15163, and 15168. Pursuant to CEQA Guidelines Section 15168(d), a later negative declaration could be prepared if the new impact would be less than significant, or mitigated negative declaration could be prepared if the new impact could be clearly mitigated to less than

significant. If a new or substantially more severe significant effect could not be clearly mitigated to less than significant, an EIR would be prepared that would focus on the new or substantially more severe significant impact(s).

## 1.4 Scope of the Draft EIR

Based on the scope of the proposed project as described in the NOP and IS and comments received from the public agencies (see Appendix A), the following issues were determined to be potentially significant and are therefore addressed in Chapter 3, Environmental Impacts and Mitigation Measures, of this document:

- Aesthetics
- Air Quality
- Biological Resources
- Cultural Resources
- Energy
- Geology and Soils
- Greenhouse Gas Emissions
- Hazards and Hazardous Materials
- Hydrology and Water Quality
- Land Use and Planning
- Noise
- Population and Housing
- Public Services
- Transportation
- Utilities and Service Systems
- Wildfire

Other environmental issues, including agricultural resources (farmland) and mineral resources are discussed in Chapter 5, CEQA Considerations. It was determined during the scoping process that the proposed project would not have a significant effect on these resources.

This EIR addresses the cumulative environmental effects of the project in combination with other closely related past, present, and reasonably foreseeable probable future projects in the area. In compliance with CEQA Guidelines Section 15126.6, this EIR also describes and evaluates the comparative merits of a reasonable range of alternatives to the proposed project, including the required No Project Alternative, and also identifies the environmentally superior alternative. Further, this EIR describes alternatives that were considered but rejected by the lead agency as infeasible and explains the reasons why.

## 1.5 Organization of the Draft EIR

**Executive Summary**—Summarizes the elements of the project and the environmental impacts that could result from implementation of the proposed project and provides a table which lists impacts, describes proposed mitigation measures, and indicates the level of significance of impacts both before and after mitigation.

**Chapter 1, Introduction**—Provides an introduction and overview of the EIR process and describes the intended use of the EIR and the review process.

**Chapter 2, Project Description**—Provides a detailed description of the proposed project, including its location, background information, project history, project objectives, and technical characteristics.

**Chapter 3, Environmental Impacts and Mitigation Measures**—Describes the baseline environmental setting and provides an assessment of potential project impacts for each technical issue area presented. Each section is

divided into four sub-sections: Introduction, Environmental Setting, Regulatory Background, and Impacts and Mitigation Measures (project-specific and cumulative).

**Chapter 4, Project Alternatives**—Describes and compares the proposed project alternatives to the proposed project.

**Chapter 5, CEQA Considerations**—Provides information required by CEQA regarding impacts that would result from the proposed project, including a summary of cumulative impacts, secondary impacts including potential impacts resulting from growth inducement, and significant irreversible changes to the environment.

**Chapter 6, EIR Preparers**—Lists report authors who provided technical assistance in the preparation and review of the EIR.

**Appendices**—Includes various documents and data that support the analysis presented in the Draft EIR.