



COUNTY OF PLACER
Community Development/Resource Agency

PLANNING SERVICES
DIVISION

Michael J. Johnson, AICP
Agency Director

Paul Thompson, Deputy Director

MEMORANDUM

TO: Honorable Board of Supervisors
FROM: Michael Johnson, Agency Director
DATE: April 12, 2011
SUBJECT: UPDATE - PLACER COUNTY BIOMASS PROGRAM AND LAKE TAHOE BASIN BIOMASS ENERGY FACILITY.

ACTION REQUESTED:

The Planning Services Division is providing an update on the County's Biomass Program and the proposed Lake Tahoe Basin Biomass Energy Facility Project. The update includes an overview of the various elements biomass program and a discussion on the status of the preparation of the environmental document for the proposed Tahoe Basin project. No action is requested.

BACKGROUND:

The Board of Supervisors adopted the Placer County Biomass Program in October 2007. As defined in the Executive Summary, the primary goals of the Program are to:

- Reduce the risk of catastrophic wildfires in Placer County.
- Protect Placer County citizens and visitors from the consequences of catastrophic wildfires.
- Find one or more beneficial uses for excess biomass in Placer County.
- Improve air quality in Placer County.

In addition, the Board has determined that a biomass energy facility has emerged as an essential component of the overall Placer County Biomass Program and such a facility is being considered for the Tahoe Basin.

In striving to meet the Program's goals, various programs and projects have been implemented. The current status of various program elements is as follows:

1. Current Grant Progress: Staff will provide an update of existing on-the ground biomass collection and utilization grant progress in the Tahoe region with metrics.

Most recently, the County has received an award notice from the Placer County Air Pollution Control District (PCAPCD) for a joint grant with North Tahoe Fire Protection District (NTFPD) of \$35,000 to enhance the utilization of biomass waste material in the Wildland Urban Interface of that district will be presented.

2. Department of Energy (DOE) Congressional Award Advancement and Results: In addition to the background information described in this report, staff will present information that provides a list of technical accomplishments and relevant findings that will advance the ability to produce a sustainable biomass facility in the region.
3. Altogether, Placer County has received a total of nearly \$3,000,000 in DOE funding plus another \$2,000,000 in cost share by Placer County). Original DOE Award 2008 = \$492,000 with local cost share of \$123,000. Second DOE Award 2009 = \$1,427,250 with local cost share of \$932,250. Third DOE Award 2010 = \$1,000,000 with cost share of \$1,000,000. All of this money is to be used for purchasing biomass technology. This funding was acquired through an appropriation from U.S. Senator Dianne Feinstein.
 - The project is currently broken into two phases: Phase I moving forward to perform environmental work, preliminary design, land use entitlements, technology integration, power purchase agreements, leading up to permit approvals.
 - Phase II is to be used for detailed design, system purchase, test, and integration.
 - Several reports are being prepared with vital information regarding where the forest based material will come from, how much would be used, what type of technology will work and where we are in formulating a proposed project description will be presented. Technical reports will also address Air/Carbon emissions, a business plan, project economics, permitting, and communications. Several reports are due in May 2011.
 - To date we have spent less than \$1,000,000 of DOE funds (total \$1.5M until land use approval).
 - Collectively these studies will help determine if a woody biomass facility can be permitted, sustainably built, and operated in the Lake Tahoe region through a public/private partnership.
4. County Planned Projects for 2011: In the presentation at the April 11, 2011 hearing, staff will provide additional detail on planned biomass removal projects during the coming year. Anticipated projects include a few in the Lake Tahoe region and in the Foresthill region of Placer County. Partners in these projects include, LTBMU, Tahoe National Forest, PCAPCD, NTFPD, California State Parks and both the California Tahoe Conservancy and the Sierra Nevada Conservancy.

5. U.S. Environmental Protection Agency Award: The EPA has awarded the Placer County Air Pollution Control District and its partners the EPA Clean Air Award for its efforts at developing protocols for the utilization of biomass for renewable energy as opposed to burning it in the open. APCD is one of twelve projects that have been selected nationwide. On June 7, 2011, an award ceremony in Washington D.C. will take place to officially present this honor to the team.

TAHOE BASIN BIOMASS TO ENERGY PROJECT:

Placer County is processing an application for a Conditional Use Permit to allow for the construction and operation of a two-megawatt biomass energy facility on a 1.3-acre site in the Kings Beach Industrial Community Plan area. The subject parcel was selected because of its unique opportunities for a public/private partnership, shared costs of construction and operation, and because the subject site is appropriately zoned, previously developed, and is in proximity to existing electric power distribution facilities. The subject parcel is owned by Calpeco, who also owns the adjacent parcel to the north, an approximately 23-acre site developed with six diesel generators that have been producing backup electrical energy since 1969. The diesel generators are housed in a 5,760 square-foot structure located mid-way along the east property line. The proposed biomass facility would not replace the existing diesel generators, but would instead supplement the power facility and assist in load stabilization.

The project proposes an approximately 6,700 square-foot, two-story power generation structure and an attached 4,400 square-foot covered material storage structure. The facility would convert woody biomass material (excess vegetation) that is currently being removed as a result of ongoing forest management practices by the USFS, other agencies, and private property owners, into electrical energy.

The current access to the project site is at a main entry gate located on Deer Street, one block north of its intersection with Speckled Avenue. With development of the project, this access would not change, but the on-site circulation pattern would be modified to serve the proposed project while allowing drive-through traffic to serve the adjacent parcel to the north.

Placer County has determined that an Environmental Impact Report (EIR) is required for this project. In addition, because the project will require subsequent approval of a Public Service Project application from the Tahoe Regional Planning Agency (TRPA), an Environmental Impact Statement (EIS) is also required. In order to avoid additional cost and duplicate environmental analyses, Placer County and the TRPA are currently processing a joint EIR/EIS for the proposed biomass facility. TRPA and Placer County have contracted an environmental consultant to prepare the EIR/EIS for the project. Because the project is partly funded with a federal Department of Energy (DOE) grant, the EIR/EIS is also being prepared to satisfy DOE NEPA requirements.

The Notice of Preparation (NOP) for the EIR/EIS was posted in July 2010. In August 2010, two public scoping meetings (one in Kings Beach and one in South Lake Tahoe) were held to receive comments on the project in order to prepare a more complete environmental document. For both meetings, the NOP was sent to all surrounding property owners, the local library, three local newspapers, and various responsible agencies. Following the public

scoping meetings, more individuals, groups, and agencies were added to the project distribution list.

It is anticipated that the Draft EIR/EIS will be available by late spring or early summer 2011. At that time, the document will be posted on the Placer County website, and a Notice of Availability of the Draft EIR/EIS will be sent out to the entire distribution list, including adjoining property owners, the local newspapers, all responsible agencies, and all parties who submitted comments on the NOP. During the 45-day public comment period, a Planning Commission hearing will be scheduled to receive public comments on the environmental document. Also during this time, the County will discuss the project and the Draft EIR/EIS with the North Tahoe Regional Advisory Council, the Squaw Valley Municipal Advisory Council and other groups as requested. At the close of the comment period, staff and the consultant will assemble the comments received and prepare responses to be included in the Final EIR/EIS.

Environmental Analysis:

The NOP identifies several areas of potential impacts that need to be addressed in the environmental document. The public scoping meetings last August provided further clarity into the full range of issues with the potential to impact the environment and the residents in the vicinity. Consistent with the findings of the NOP in regard to Probable Environmental Effects, air quality, noise, light, biological impacts and aesthetics were considered by most of the public commentors to be primary concerns. In addition, traffic impacts, particularly the truckloads of chipped material that would be delivered to the site, were identified as being an issue of great concern to neighbors in the immediate vicinity. As a result of some of the comments received during the public scoping process, the site has been redesigned to move the structure toward the back of the site to reduce some noise and visual impacts.

The ongoing analysis of the environmental impacts will, in the end, identify thresholds of significance for those impacts. Most of the required studies prepared by specialists have been submitted to the EIR/EIS consultant, but the analysis of those studies and the identification of sufficient mitigation measures for some impacts have yet to be completed.

Current Status:

The Administrative Draft EIR/EIS is being prepared by the County's environmental consultant, Ascent Environmental. It is anticipated that the document will be available for staff review in late April 2011.

FISCAL IMPACT:

None.

ACTION REQUESTED:

Staff is providing an update on the Biomass Program and the proposed Lake Tahoe Basin Biomass Energy Facility Project, therefore no action is requested.

cc: Holly Heinzen, Assistant CEO
Scott Finley, Supervising Deputy County Counsel