

Sierra Business Council Biomass and Stewardship

Biomass

“A Nevada County Opportunity”

Presented By;

Tom Amesbury - Forester, RPF #2253



6/2/08

Forester's Co-Op



- Founded in Grass Valley 1999
- Professional Forestry and Geographic Informational Services Company
- State Wide Client Base
- Four (4) full time Employees
- 6-10 Seasonal Employees
- Forest Management Plans, Resource Assessments, Wildfire Risk Analysis, Sustained Yield Growth Models, Carbon & GHC Assessments, and Noxious Weed Abatement
- Biomass is just one of our passions

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Traditional Log Markets



- ✓Worst Log Market since the 1980's
- ✓Delivered Log Prices:
 - ✓PP-SP = \$275 - \$350 & Dropping
 - ✓WF = \$275 & Dropping
 - ✓DF = \$275 - \$325 & Dropping
 - ✓IC = \$550 - \$600 Only Bright Spot
- ✓Permitting Cost Up
- ✓Harvest & Trucking Cost Up
- ✓Reforestation Cost Up
- ✓Net Return to Landowners off 80% - 100%
- ✓Deficit prospect for many landowners

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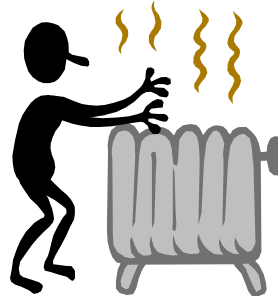
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Forest Biomass Paradox:

Is it a Wildfire Hazard?



Is it Valuable Resource?



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Woody Biomass Markets

- **Costs (Landowners must consider economics)**
 - **Planning**
 - **Harvesting**
 - **Transportation**
 - **Harvest and Processing Technology**
- **Fluctuating markets require constant monitoring.**
- **Current Delivered Price Range \$12 to \$47 per BDT Delivered**
- **Waste Management Business Conflicts**
- **Marketing Competition (from other energy sources)**
 - **Subsidized Special Interest Biomass competes with other biomass resources**

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Nevada County Biomass Resource

- **Nevada Counties Biomass Resource = 580,000 Bone Dry Tons (BDT) from; Forestry = 68%, Agriculture = 10%, and Waste Stream = 22%.**
- **Enough electrical power for 70,000 Homes -**
- **40 – 50 Million gallons of fuel ethanol – enough to put 575 gallons for every vehicle in County**
- **Economic Opportunities**
 - **Jobs Harvesting, Processing, Conversion to Goods**
 - **Biomass Conversion Innovation**
 - **Fire Prevention and Disaster Avoidance**

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Emerging Carbon Markets

- Current Protocol Market – “Boutique Carbon”
- Exclusion of 98% of Forest Land Base in California to Current Market
- “Additional” Sequestered carbon currently valued at 10% - 15% Traditional log values
- Protocol qualification for Market entry very expensive.
- Future Expansion Uncertain – Policy Driven, but for once in a long time “Politically Correct”

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USFS Contracting Experiences

- Less than 10% of FCO Business Practice
- Contracting in general is contradictory to institutional culture
- Perception by agency is based on Horror Stories
- Extreme Difficulty for Agency to let Contracts
- Work Flow is Unreliable and Irregular

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Questions



415 Colfax Avenue
Grass Valley, CA 95945
(530) 273-8326 – www.forco-op.com



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