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Introduction: Hat Creek Construction & Materials, Inc. (Hat Creek Construction) is proposing to develop a community-scale (up to 3MW) biomass combined heat and power Facility ("The Project") at their yard located just north of the intersection of Highway 89 and 299 near Burney. Known as Burney/Hat Creek Bioenergy, the facility will be designed to utilize approximately 22,000-24,000 bone dry tons (BDT) per year of forest biomass feedstock. This feedstock demand for the facility would help serve the estimated 363,000 BDT of woody biomass currently available on public and private lands (Watershed and Research Training Center 2016 – Feasibility Study) within a 50-mile radius of the plant site (see attached map). If successful, the facility will support sustainable forest management practices, sustain local jobs, and provide renewable energy (both heat and power). This is critical in face of increased incidence of wildfire, changing climatic conditions and the need for economic development in Shasta County.

Rationale for Site Development: The project is strategically located near the intersection of two major highways surrounded by a diversity of private and public timberlands. In addition, new state policies, specifically California Senate Bill 1122 (2012) establishes a feed-in tariff program (BioMAT) for 250 MWs of distributed community-scale biomass energy, which specifically includes 50 MW from forest biomass. There are also numerous other aligning policies/programs at the state, regional, and national scale that are supportive of active forest management and include:

- The Burney Basin Collaborative Forest Landscape Restoration Program (CRLRP)
- Governor of CA Emergency Order (issued October 30, 2015) addressing extreme tree mortality and the critical role of bioenergy
- Pit River watershed is an area designated as a priority treatment area under the 2014 Farm Bill and Healthy Forest Restoration Act (2014)
- The Sierra Nevada Forest and Community Initiative, developed by the Sierra Nevada Conservancy, aims to improve the environmental, economic, and social well-being of the Sierra Nevada Region
- Numerous state and federal grant programs supporting forest health and fuels treatments

Steps Completed and Partnerships: Hat Creek Construction has selected West Biofuels, a California-based gasification technology developer, to provide engineering services and technology for the 3 MW facility. They have also completed initial site design and layout, prepared a California Environmental Quality Act (CEQA) document, and submitted a System Impact Study to Pacific Gas & Electric Company (PG&E) to determine electrical interconnection needs. The project is expected to be one of the early-stage participants in the BioMAT program and anticipates being one of the first community-scale forest biomass facilities in California.

Future Milestones Necessary for a Successful Project: While many steps have been completed, and other important ones are nearly finished, the project needs to secure long term feedstock supply agreements for consistent and dependable supply. While the company has the ability to expand and provide forest fuels treatment services (e.g., forest treatments), our preferred approach is to utilize existing contractors and secure feedstock supplied by logging firms, landowners, and land managers. We anticipate having these agreements in place by the December 2017 and at that time, anticipate a favorable price for electricity through the BioMAT program will be available to secure the necessary Power Purchase Agreement from PG&E.

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