

# North Tahoe Citizen Action Alliance

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*Jerry Wotel, Newsletter Editor*

## **NTCAA Newsletter –August 2010**

### **Economics of the Kings Beach Biomass Energy Plant**

The conversion of hazardous fuels removal (thinning) into biomass feedstock is by far the most expensive part of the chain of feedstock production. In a recent interview Dave Fournier of the Forest Service explained how open burning was the least expensive method of removing forest debris with costs as low as \$700 per acre. But the widespread practice of pile burning in the Tahoe Basin is not a sustainable method for hazardous fuels reduction due to air emissions, public health, visibility, and risk of losing control. According to the Forest Service prescribed open burns are still the disposal method of choice in areas where the slope exceeds 30% or are otherwise inaccessible to mechanical equipment. Open burning for ecological purposes may also be necessary in some areas to sustain a healthy forest.

The higher costs of retrieving, chipping or grinding, transporting, and drying are different stages of the process to produce usable biofuel or feedstock for combustion. The Forest Service estimates costs between \$1700 to \$3500 per acre to remove forest material for biofuel processing. Use of helicopters to lift out material may exceed \$5000/acre. A simple calculation shows that a ton of biofuel may cost \$100 to \$250 per green ton to produce. Biomass plants that burn or incinerate the material can only afford to pay about \$20/green ton up to about \$48/ton if the fuel is bone dry. This difference between biofuel production costs and what a power operator can pay for the fuel represents a huge economic gap. To sustain a power plant this gap must be bridged by public subsidies of some sort.



Another technical concern is the fuel specification for new plants. They assume very clean, uniform, woody chips to meet current emission requirements. But that is not what is produced by hazardous fuels removal in the Tahoe Basin. Forest thinning involves smaller trees (mostly white fir) with bark and needles that generate dirtier emissions. According to Loyalton plant officials a new plant couldn't even burn much of the material they do burn at Loyalton and remain within design standards for pollution.

The power generated will be sold to NV Energy. The Loyalton Biomass Plant recently shut down due to a wholesale rate dispute with NV Energy for the second time in a year. Also, the Forest Service could not deliver the material they had anticipated. There is a delicate balance of costs to produce the biofuel and receive a sufficient price per kilowatt hour.

**NTCAA is holding a public meeting on August 31 at 6 pm at the North Tahoe Event Center in Kings Beach. Mr. Jim Turner, Operations Manager at the Loyalton Biomass Plant will describe the biomass plant operation, environmental and financial, and answer questions from the public.**

### **Local Government Compensation**

Most of us are feeling the economic recession. Managers employed by Placer County or the United States Government may be an exception. The average salary in the private sector is \$51,876, while the average in the federal government is \$100,178. If that is surprising to you, let's look at Placer County.



You have probably seen in the news the flagrant salaries of officials in the City of Bell CA. Has it made you wonder what Placer County pays its chief executives? Our chief executive officer in 2009 received \$554,820.<sup>1</sup> This includes salary plus all benefits such as Medical, Leave, Pension, and Other Benefits, and Deferred Compensation. His assistant was paid \$250,000 plus benefits.<sup>2</sup> This amid layoffs and budgetary problems in the County.

A total of 21 retired Placer County employees are receiving more than \$100,000 a year in CalPERS pensions. The list – from California Pension Reform's online "CalPERS 100K Club" database – includes two former County CEOs, five retired sheriff's deputies, a former assessor and many longtime county managers.<sup>3</sup>

As a point of reference, the President of the United States is paid \$400,000, and the Vice President, Chief Justice, and Speaker of the House are paid \$227,300. Cabinet Secretaries are paid \$193,400, and Senate and House Members are paid \$174,000, all also for 2009.

Apparently, Placer County is more difficult to manage than the United States of America.

### **Did You Know?**

- One pound of high quality woodchips contains 8500 btu's, whereas one pound of coal contains 14,000 btu's.
- NTCAA will hold an invasive species and blue-boating program discussion between TRPA representatives and the public on September 16, 2010 at the North Tahoe Event Center in Kings Beach, starting at 6 pm.

<sup>1</sup> The Public CEO Newsletter, March 2009

<sup>2</sup> Auburn Journal, "Our View: Excessive spending a growing challenge locally and statewide", August 15, 2010

<sup>3</sup> Auburn Journal, "Placer County's \$100,000 club: 21 retirees receiving six-figure pensions", July 31, 2010

## Upcoming Events/Key Dates

Agendas for TRPA Governing Board and APC, and also Placer County BOS are not available until a few days before the meeting. Therefore, it is difficult to provide a meaningful emphasis to the meetings. Other meetings/events not shown here, or changes, will be announced by email.

August 31, Tuesday	Kings Beach Biomass Mtg.	6 pm, NTEC, Kings Beach
September 1, Wednesday	NLTRA Board Meeting	8:30 am, TCPUD Board Room
September 7, Tuesday	Placer County BOS Mtg.	9 am, Board Mtg Rm, Auburn
September 8, Wednesday	TRPA APC Meeting	9:30 am, TRPA Stateline Office
September 9, Thursday	NTRAC Meeting	6 pm, NTEC, Kings Beach
September 14, Tuesday	NTPUD Board Meeting	10 am, NTEC, Kings Beach
September 14, Tuesday	Placer County BOS Mtg.	8:30 am, Board Mtg Rm, Auburn
September 15, Wednesday	NTPFD Board Meeting	6 pm, TCPUD Board Room
September 16, Thursday	Invasive Species Mtg.	6 pm, NTEC, Kings Beach
September 17, Friday	TCPUD Board Meeting	8:30 am, TCPUD Board Room
September 22, Wednesday	TRPA Governing Board	9:30 am, NTEC, Kings Beach
September 28, Tuesday	Placer County BOS Mtg.	8:30 am, Board Mtg Rm, Auburn

TRPA – Tahoe Regional Planning Agency  
NLTRA – North Lake Tahoe Resort Association  
TCPUD – Tahoe City Public Utility District  
NTEC – North Tahoe Event Center  
BOS – Placer County Board of Supervisors

APC – Advisory Planning Commission  
NTPUD – North Tahoe Public Utility District  
NTPFD – North Tahoe Fire Protection District  
NTRAC- North Tahoe Regional Advisory Council

***“Patriotism is supporting your country all the time, and your government when it deserves it.”..... Mark Twain***

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