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## SB 901 (Dodd) – Sierra Nevada Impacts

### Overview

[SB 901 \(Dodd\)](#) responds to California's recent devastating wildfire seasons by changing forest management practices, allocating funding to reduce fuels and improve forest health, establishing a process for utilities to recoup wildfire-related costs from ratepayers over time, and helping bioenergy facilities. This document provides an overview of key provisions with ramifications for Sierra Nevada communities and forest ecosystems. SB 901 was signed into law by the Governor on September 21, 2018.

### Forest Management and Funding

- Allocates \$1 billion in cap and trade revenue over the next five years (\$200 million per year) to the California Department of Forestry and Fire Protection (CAL FIRE) for forest health, fuel thinning, prescribed fire, and research on adaptation to climate change (SEC 45);
  - *Sierra Impact: Nonprofits, local governments, tribes, and residents will be able to apply for funding from CAL FIRE to reduce wildfire risk.*
- Requires conservation easements located on or which include a portion of forest lands purchased with state funds after January 1, 2019 to include an easement management plan with goals to improve forest health and watershed function, increase the land's ability to sequester carbon, retain larger trees and natural age class range, and other goals (SEC. 2 subsection 815.11);
  - *Sierra Impact: New conservation easements will require long-term management to improve forest health and reduce wildfire risk, something that hopefully most of us are doing anyway.*
- Directs the California Air Resources Board (ARB), in consultation with CAL FIRE, to quantify greenhouse gas (GHG) emissions resulting from fuel thinning and wildfires and establish a historic baseline of GHG emissions from California's natural wildfire regime prior to modern fire suppression (SEC. 4 subsection 38535);
  - *Sierra Impact: Quantification of GHG emissions from wildfires will help bring awareness to the benefits of forest health projects which reduce the risk of large, damaging wildfires and their associated emissions.*
- Establishes the Wildfire Resilience Program at CAL FIRE to assist nonindustrial timberland owners with wildfire resilience efforts by providing technical assistance on permitting process, fuels reduction, fuelbreaks, forest health, and reforestation to reduce wildfire risks, maintain habitat, and sequester carbon (SEC. 5 subsection 4123.5);
  - *Sierra Impact: Helps nonindustrial timber owners with permitting and education to improve forest health and prepare for wildfire on their land.*

- Prioritizes grant funding to local agencies for fire prevention activities (established and described by [AB 1956](#)) based on the Fire Risk Reduction Community List (established by [AB 3160](#)) (SEC. 6 subsection 4124.7);
  - *Sierra Impact: Establishes new funding for local governments to improve public outreach and education, assist residents with defensible space, and other fire prevention activities.*
- Creates a Timber Harvest Plan (THP) exemption for small timberland owners with no more than 100 acres if harvest activities meet certain requirements, including provisions related to timber harvest including Timber Harvest Plan exemptions for specified activities and lands, changes to harvest requirements based on tree diameter, exclusion of clearcutting as a removal method, and specifications about roads in areas where timber harvest operations exist (SEC. 13 subsection 4584);
  - *Sierra Impact: Helps encourage more forest health projects in the region by reducing the upfront cost of a THP as long as projects meet eligibility criteria.*
- Provides CEQA streamlining for fuel reduction, prescribed fire, or thinning projects on federal lands that have been reviewed under NEPA if the primary role for a state or federal agency is funding or staffing for the project or if the project is being undertaken under a Good Neighbor Authority (SEC. 23 subsection 4799.05);
  - *Sierra Impact: Speeds up implementation of eligible fuel reduction projects if NEPA has been completed.*
- Allows CAL FIRE to provide advance payments (up to 25% of total grant award) to nonprofits, tribes, local agencies, or special districts for forest health and greenhouse gas reduction projects (SEC. 24 subsection 4799.05).
  - *Sierra Impact: Makes it easier for nonprofits, local governments, and other organizations to administer grant-funded projects.*

### **Biomass Facilities**

- Broadens eligible feedstock sources from sustainable forest management (not from clearcuts) for specified biomass facilities and allows Biofuel Renewable Auction Mechanism (BioRAM) contracts to be reported on a monthly basis (SEC. 25 subsection 399.20.3);
  - *Sierra Impact: Supports sustainable fuel reduction projects that improve forest/watershed health, protect against tree mortality, and promote recreation/tourism in the Sierra Nevada.*
- Extends power-purchase contracts for biomass facilities that meet certain air quality and other requirements. The extension applies to several bioenergy facilities located in the Sierra Nevada including Loyaltan, Burney Forest Power, and IHI Chinese Station (SEC. 43 subsection 8388);
  - *Sierra Impact: Keeps existing bioenergy facilities operational in the Sierra, which helps make local sustainable forest health/fuels reduction projects more economically viable.*

## Utility Liability

- Creates the Commission on Catastrophic Wildfire Cost and Recovery at the Office of Planning and Research to examine issues related to catastrophic wildfires associated with utility infrastructure. By July 1, 2019, the Commission, in consultation with the CA Public Utilities Commission (CPUC) and Insurance Commissioner, must submit a report to the Legislature and Governor on findings including recommendations for changes to the law that would ensure an equitable distribution of costs among parties (SEC. 7 subsection 4205);
  - *Sierra Impact: Creates a mechanism to more fully address the utilities' wildfire liability issue, as requested by SBC and other partners.*
- Establishes a process and evaluation criteria for utilities to seek approval from the CPUC to recover costs associated with wildfires. If the CPUC determines that some or all costs incurred by utilities are reasonable and justified, the utility may file an additional application to the CPUC requesting the CPUC to issue a financing mechanism (bond, credit reserve account, etc.) to recover costs and allow utilities to collect ratepayer funds to pay for the financing mechanisms. This process may be used to recover costs from the 2017 fires and fires occurring after January 1, 2019. (SECS. 26 - 32);
  - *Sierra Impact: Protects rural wildfire victims and ratepayers by providing a funding mechanism that can be repaid over time rather than one that would cause a massive rate increase to cover liability costs upfront.*
- Requires utilities to annually prepare and submit a wildfire mitigation plan to the CPUC for approval. Elements of the plan will include: protocols for and evaluation of the impacts of de-energizing portions of the grid during wildfires, strategies to prevent utility infrastructure from causing wildfires including consideration of climate change risks, and plans for how the utility will restore service after a wildfire. The CPUC will consult with CAL FIRE to review the plan. If the CPUC determines a utility is not implementing the plan, it can assess penalties against the utility. Publicly-owned utilities must also complete similar plans. (SECS. 38 - 42);
  - *Sierra Impact: Ensures that utilities take climate impacts and customer service needs into consideration when planning for wildfire mitigation.*