

FEATHER RIVER AIR QUALITY MANAGEMENT DISTRICT
MEMORANDUM
10/02/2023

TO: FRAQMD BOARD OF DIRECTORS

FROM: Christopher D. Brown, AICP, APCO

SUBJECT: Consider Resolution #2023-14 to Transfer Emission Reduction Credits (ERCs) from Feather River Air Quality Management District to Placer County Air Pollution Control District for the Sierra Pacific Industries facility in Lincoln.

RECOMMENDATION:

Approve Resolution #2023-14, as required by CH&S Code Section 40709.6(d), and authorize the Air Pollution Control Officer to enter into an MOU with the Placer County Air Pollution Control District (PCAPCD), if required, to transfer and use the FRAQMD Emission Reduction Credits (ERCs) to offset emission increases from the Sierra Pacific Industries facility in Lincoln.

ALTERNATIVES:

Not approve the transfer of Emission Reduction Credits.

BACKGROUND:

Emission Reduction Credits (ERCs or Offsets) were initially established as part of the 1977 Clean Air Act Amendments and greatly expanded in the 1990 Clean Air Act Amendments. Emission Reduction Credits are created when a source voluntarily reduces emissions, in this case the reduction occurred by eliminating rice straw burning on a particular parcel.

The District is not a party to the transaction between the seller and purchaser of the credits, but does record all transactions involving credits.

The District received correspondence from Sierra Pacific Industries (SPI), dated August 30, 2023, requesting the District Board's approval for an inter-district transfer of ERCs from the Feather River Air Quality Management District to the Placer County Air Pollution Control

District. The ERCs are proposed to be used so that SPI can expand the number of dry kilns at their Lincoln facility.

DISCUSSION:

SPI has identified ERC certificate numbers 2001-30-F-S2 and 2002-11-F where they may purchase up to a total of 6.734 tons of Reactive Organic Gases (ROG). These are federally recognized ERCs, which were generated from the reduction in rice straw burning in the Sacramento Federal Nonattainment Area (SFNA). The amounts that could potentially be used are shown below:

Certificate Number	Pollutant	Quarter 1 (lbs)	Quarter 2 (lbs)	Quarter 3 (lbs)	Quarter 4 (lbs)	Annual (tons)
2001-30-F-S2	ROG	2,235	4,470	0	2,235	4.470
2002-11-F	ROG	1,132	2,264	0	1,132	2.264
Total		3,367	6,734	0	3,367	6.734

The table shows the impact of this proposed transaction on the District Registry.

Pollutant	FRAQMD Federal Registry (Tons/Year)	FRAQMD Total Registry (Federal and Non-Federal) (Tons/Year)	ERC Request (Tons/Year)	Percentage of FRAQMD Federal Registry	Percentage of FRAQMD Total Registry
ROG	66.692	44,289.35	6.734	10.097%	0.015%

California Health and Safety Code Section 40709.6 allows for the transfer of ERCs from a stationary source in one air district to another within the same air basin after taking into consideration the impacts of air quality, public health, and the regional economy. The ERCs requested to be transferred are located within the same air basin. The request to transfer the credits also addresses the impacts on air quality, public health, and the regional economy.

ATTACHMENTS

- A. ERC Transfer Request – Sierra Pacific Industries
- B. Resolution 2023-14

ATTACHMENT A

ERC Transfer Request – Sierra Pacific Industries



Sierra Pacific Industries

1440 Lincoln Boulevard • Lincoln, California 95648 • (916) 645-1631

August 30, 2023

Christopher Brown
Air Pollution Control Officer
Feather River County Air Pollution Control District
541 Washington Ave
Yuba City, CA 95991

Re: Transfer of ERCs from Feather River Air Quality Management District to Placer County Air Pollution Control District

Dear Mr. Brown:

Sierra Pacific Industries (“SPI”) requests the approval of an inter-district transfer of Emission Reduction Credits (“ERCs”) to Placer County Air Pollution Control District (“PCAPCD”) from Feather River Air Quality Management District (“FRAQMD”) pursuant to California Health and Safety Code Section 40709.6. Section 40709.6 requires an inter-district transfer to be approved by a resolution adopted by the Governing Board in each District. SPI, Anew Climate, LLC (Formerly Element Markets, LLC), and World Visions, Inc. (“World Vision”) are requesting the transfer of title to certain ERCs, which are defined in and governed by FRAQMD, to Sierra Pacific Industries to be used in the PCAPCD.

SPI kindly requests that FRAQMD approve the transfer of Emission Reduction Credits at the October 2nd Board meeting. Subsequently, SPI is requesting that the PCAPCD Board approve the transfer of Emission Reduction Credits at their October 12th Board Meeting.

Background - Sierra Pacific Industries

Sierra Pacific Industries operates a sawmill division in Lincoln, California. The company owns and manages nearly 1.9 million acres of timberland in California and Washington and is among the largest lumber producers in the United States. SPI is committed to managing its lands in a responsible and sustainable manner to protect the environment while providing quality wood products and renewable power for consumers.

SPI owns and operates a sawmill and cogeneration facility at 1440 Lincoln Boulevard, Lincoln, California. SPI purchased the facility in 1991 from Bohemia Inc. The 222-acre mill site includes a 20-acre paved log deck, two sawmills, planer mill, wood fired co-generation facility, 20 dry kilns, truck and equipment maintenance facilities, lumber storage.

Since 2020, the Lincoln mill has produced approximately 260 million board feet (mmbf) and anticipates production of 365 mmbf could be dried in the kilns. In order to respond to market demand for dried lumber and maintain the competitiveness of the business, SPI is proposing to install two additional dry kilns.

Proposed Project

SPI is proposing to construct two new dry kilns that would be permitted with a VOC emissions limit. The new kilns would be constructed adjacent to the existing kilns. The kilns would be near identical to the existing dry kilns and would operate in the same fashion as the existing kilns.

Green lumber units are fed into the kilns on rails using a forklift. Steam from the boiler, after passing through the turbine generator, is delivered to the kilns at approximately 43 pounds per square inch (psi) pressure and 350 degrees Fahrenheit (°F) to provide heat necessary to dry the lumber. The kiln steam system is a “closed loop” system in that steam condensate is returned to the boiler feed water system after it is used in the kilns. Following the drying process, dried lumber units are transferred to the cooling shed, and then are surfaced in the planer mill, sorted and packaged for shipment.

Societal Impacts and Benefits

SPI's Placer County operation based in Lincoln employs over 340 crew members and is one of the largest private sector employers in the County, and the region.

SPI's proposal to expand its investment in the greater Sacramento region through the construction of two additional dry kilns reflects the company's ongoing commitment to sustainable growth and community development. With a track record of responsible timber management, this move not only emphasizes the company's dedication to quality production but also signifies its contribution to the local economy. The incorporation of two new kilns alongside the existing 20 demonstrates SPI's strategic approach to meeting the rising demand for its products while maintaining environmental integrity.

The addition of these two new kilns would facilitate an increase in production that will add approximately 30 new crew members by adding a shift on the planer line necessary to process the additional dried lumber. Economic data suggests that each manufacturing job in the sawmill benefits the community by supporting the creation of two additional jobs for support services in the community¹. Therefore, the 30 new mill jobs are anticipated to help create up to 60 more jobs outside the sawmill in the community.

SPI provides family wage jobs for crew members and through our foundation we support local youth groups and other organizations in the Feather River and Placer Counties. By providing family wage jobs, SPI contributes to the economic vitality of the regions it operates in. SPI is dedicated to community enrichment and supports local youth groups and various organizations in the Feather River and Placer Counties. This philanthropic approach demonstrates Sierra Pacific's holistic understanding of its role, where it doesn't just harvest trees responsibly but also nurtures the social fabric and future prospects of the communities intertwined with its operations. Through its dual focus on creating sustainable employment opportunities and fostering community well-being.

Additionally, the economic viability of mitigating and recovering from wildfire risks is closely tied to the utilization of timber resources. Expanding the capacity of the SPI Lincoln sawmill plays a crucial role in enabling the existing partnerships, supply chains, and infrastructure to effectively support the state's approach to managing this important risk.

Public Health

The ability to use ERCs from the FRAQMD for the project assists in SPI commitment to not only meeting regulatory standards but also enhancing local air quality and public health. The ERCs will be offset using a

¹ IMPLAN database of economic impact multipliers by county by industry, USDA Forest Service, Fort Collins CO

1.5 to 1 offset ratio in the Placer County Air Pollution Control District (PCAPCD) and will ensure that the quantity of ERCs obtained will surpass the emissions generated by the project.

Regional Economy

These ERCs would allow continued operation of a successful business entity in the Sacramento Valley Air Basin and the employer of many residents of this region. The sustained jobs, capital investment, and ongoing operations associated with the project will have a positive impact on the regional economy while fully complying with very stringent air quality regulatory requirements.

Sustainable Forestry Initiative

SPI has invested in state-of-the-art equipment to optimize every fiber of each tree, and we are a certified participant in the independent Sustainable Forestry Initiative (SFI) to help ensure our forests are here for generations to come. The Sustainable Forestry Initiative (SFI) stands as a pivotal force in promoting responsible and balanced forest management practices. With a focus on conserving biodiversity, supporting local communities, and safeguarding water quality, SPI serves as a beacon of sustainability in the forestry sector. SPI By fostering partnerships between industry, conservationists, and indigenous communities, SFI continues to play a vital role in advancing the principles of sustainable forestry, ultimately contributing to the preservation of our precious forest ecosystems for generations to come.

ERCs Requested for Transfer

In August 2023, SPI took a proactive step towards their proposed kiln project's by submitting an Authority to Construct Permit application to the PCAPCD. Recognizing the requirement for emission offsets, SPI has responded by seeking out ERCs from external sources, given that PCAPCD currently lacks available VOC in their ERC bank.

In their pursuit of ERCs, SPI has identified multiple willing sellers whose ERCs originate from FRAQMD. FRAQMD ERC holders have expressed their interest and willingness to collaborate across districts and have engaged in agreements for the sale of FRAQMD ERCs. By sourcing ERCs from FRAQMD, SPI not only fulfills their offset requirements but also contributes to emission reduction efforts.

Sierra Pacific Industries has contracted for the purchase of 4.47 tons of Volatile Organic Compounds (“VOC”) ERCs derived from World Visions’ FRAQMD Federal ERC Certificate No. 2001-30-F-S2. SPI is requesting PCAPCD approve the import of the aforementioned quantities from the ERC certificate detailed below:

FRAQMD Federal Certificate No. 2001-30-F-S2

Product	Quarter 1 (lbs)	Quarter 2 (lbs)	Quarter 3 (lbs)	Quarter 4 (lbs)	Total Tons
VOC	2,235	4,470	0	2,235	4.47

SPI has an agreement to purchase the ERCs needed for the project from World Visions, a Christian Humanitarian organization dedicated to working with children, families, and their communities worldwide. These ERCs have been donated to World Visions, and the proceeds will go to benefit their cause.

Therefore, SPI is requesting the approval of an inter-district transfer of ERCs from FRAQMD to PCAPCD, pursuant to California Health and Safety Code, Section 40709.6.

Sierra Pacific Industries has contracted for the purchase of 2.264 tons of Volatile Organic Compounds (“VOC”) ERCs derived from Anew’s FRAQMD Federal ERC Certificate No. 2002-11-F2. SPI is requesting PCAPCD approve the import of the aforementioned quantities from the ERC certificate detailed below:

FRAQMD Federal Certificate No. 2002-11-F

Product	Quarter 1 (lbs)	Quarter 2 (lbs)	Quarter 3 (lbs)	Quarter 4 (lbs)	Total Tons
VOC	1,132	2,264	0	1,132	2.264

SPI has an agreement to purchase the ERCs needed for the project from Anew, a company that strives to make the highest and best use of the skills, capabilities, experiences and influence they possess to enable the greatest positive impact on climate. The proceeds will go to benefit their cause.

Therefore, SPI is requesting the approval of an inter-district transfer of ERCs from FRAQMD to PCAPCD, pursuant to California Health and Safety Code, Section 40709.6.

Based on the foregoing reasons, we request that PCAPCD and FRAQMD’s Air Pollution Control Officers evaluate and approve the transfer of the ERCs between PCAPCD and FRAQMD.

Thank you for your time and consideration with this matter. Please contact me at (530) 378-8179 if you have any questions or need additional information.

Sincerely,

Sierra Pacific Industries



Jeremy Higgins

Purchase and Sale of Feather River Air Quality Management District (FRAQMD) Emission Reduction Credits (ERCs)

Buyer:	Sierra Pacific Industries	Address: 1440 Lincon Blvd. Lincoln, CA 95648
Buyer Contact:	Jeremy Higgins	Contact Telephone Number: 530-378-8179
Seller:	World Vision Inc.	Address: 34834 Weyerhaeuser Way South Federal Way, WA 98001
Seller Contact:	Naomi Hinojos	Contact Telephone Number: 253-815-2576

Transaction Date: July 24, 2023

4.47 tons of Feather River Air Quality Management District (FRAQMD) Volatile Organic Compound (VOC) Emission Reduction Credits (ERCs) derived from FRAQMD ERC Certificate No. 2001-30-F-S2

Product & Quantity: To be distributed as detailed herein:

FRAQMD ERC Certificate No. 2001-30-F-S2

Product	Quarter 1 (lbs.)	Quarter 2 (lbs.)	Quarter 3 (lbs.)	Quarter 4 (lbs.)
VOC	2,235	4,470	0	2,235

Purchase & Sale: Seller shall sell to Buyer, and Buyer shall purchase from Seller 4.47 tons of FRAQMD VOC ERCs at \$25,000.00 per ton, totaling \$111,750.00

Contingencies of Approval: Upon the following Contingencies of Approval being satisfied, Buyer will purchase the Product and Quantity of ERCs:

- Approval of ERC exit by the Feather River County Air Pollution Control Officer
- Approval of ERC entrance by the Placer County Air Pollution Control Officer

Transfer and Payment Terms:

Upon Contingencies of Approval being satisfied, Buyer Agrees to buy, and Seller agrees to sell the Product and Quantity of ERCs.

Broker will work with Buyer and Seller to submit all necessary transaction paperwork to complete the ERC transfer.

Buyer agrees to pay FRAQMD ERC transfer fee, and any additional fees charged by the air districts to facilitate the transaction.

Within ten (10) business days of all contingencies being met, Buyer will submit Total Purchase Price, FRAQMD ERC transfer fee, and Brokerage fee to Broker. Broker, acting as Escrow Agent, will hold Total Purchase Price in a dedicated escrow account and will remit Total Purchase Price less Brokerage fee to Seller within five (5) business days of written confirmation from the FRAQMD and Placer County Air Pollution Control District (PCAPCD) that the ERCs have been transferred from Seller to Buyer.

Payment to Broker shall be made by wire transfer, or in such other form as reasonably

requested, to the following account:

Chase

Wire Routing: 021000021

ACH Routing: 322271627

Account#: 209723029

For the Account of: AQC Environmental Brokerage Services, Inc.

Tax ID#: 81-2975387

All funds paid shall be rendered in the form of immediately available United States dollars. Payment shall be made by wire transfer or in such other form as agreed to by the parties.

Buyer and Seller shall cooperate fully to obtain any and all required approvals and/or documents which may be required to retire ERCs in Buyer's name.

**Additional
Terms and
Conditions:**

Representations and Warranties of Seller. As of the date upon which the ERCs are transferred to Buyer, Seller represents and warrants to Buyer that (i) it has good and marketable title to and is the sole owner of record of the ERCs; (ii) the ERCs are not subject to specific restrictions of their sale or transfer; and (iii) such ERCs are and will be transferred to Buyer free and clear of all encumbrances and other defects of title arising prior to delivery. Seller has the power and authority to enter into and perform under this Agreement and, other than the approval of the FRAQMD and PCAPCD, Seller has all necessary approvals to sell and transfer the ERCs to Buyer. SELLER EXPRESSLY NEGATES ANY OTHER REPRESENTATION OR WARRANTY, WRITTEN OR ORAL, EXPRESS OR IMPLIED, INCLUDING, BUT NOT LIMITED TO, ANY REPRESENTATION OR WARRANTY WITH RESPECT TO MERCHANTABILITY, OR FITNESS FOR ANY PARTICULAR PURPOSE.

Change of Law. Immediately upon Buyer's receipt of documentation evidencing that the ERCs have been transferred to Buyer, the ERCs shall become the sole property and entitlement of Buyer. Should any change in law governing the ERCs occur prior to Buyer's receipt of documentation evidencing that the ERCs have been transferred to Buyer, and such change of law restricts or limits the nature, use, quality, duration or transferability of the ERCs (i.e. not simply a clarification or modification of existing law which has little or no effect on the ability of the parties hereto to effectuate this sale transaction or upon the nature and quality of the ERCs) (a "Change of Law"), then Buyer's sole recourse and remedy shall be to terminate this Agreement upon written notice to Seller, and upon Buyer's exercise of said termination, Seller shall return any amounts received from Buyer, and thereafter no party shall have any further liability or obligation to any other party hereto. If a Change of Law occurs after Buyer's receipt of documentation evidencing that the ERCs have been transferred to Buyer, then Buyer shall have no recourse or remedy against Seller.

Limitations of Liability. THE PARTIES CONFIRM AND AGREE THAT UNDER THIS AGREEMENT, NO PARTY IS REQUIRED TO PAY OR WILL BE LIABLE FOR SPECIAL, CONSEQUENTIAL, INCIDENTAL, PUNITIVE, EXEMPLARY, OR INDIRECT DAMAGES, LOST PROFIT OR BUSINESS INTERRUPTUON DAMAGES, BY STATUTE, IN TORT, CONTRACT OR OTHERWISE (EXCEPT TO THE EXTENT THAT ANY DIRECT DAMAGES INCLUDE AN ELEMENT OF PROFIT).

Indemnification. Each party agrees to indemnify, defend, and hold harmless the other party, and any of said other party's affiliates, directors, officers, employees, agents and permitted assigns, from and against all claims, losses, incidents, liabilities, damages, judgments, awards, fines, penalties, costs, and expenses (including reasonable attorneys' fees and disbursements) directly incurred in connection with or directly arising out of: (i) any breach of representation

or warranty or failure to perform any covenant or agreement in this Agreement; or (ii) any violation of applicable law, regulation or order by said party and (iii) and any adverse liens, claims or encumbrances on the ERCs.

Assignment. The parties may not assign their rights, duties and obligations pursuant to this Agreement, except as provided herein, without the prior written approval of the non-assigning party, which shall not be unreasonably withheld or delayed. Any assignment without the written approval of the non-assigning party is voidable by the non-assigning party.

Notices. All notices and other communications in connection with this Agreement shall be sent via overnight courier or facsimile to the addresses and contacts above.

Dispute Resolution. Any dispute or claim between the parties arising from this Agreement not resolved by negotiation in good faith within thirty (30) days will be settled by arbitration pursuant to the then applicable Commercial Arbitration Rules of the American Arbitration Association. The arbitration shall be located in San Francisco, California. Either Party may initiate such arbitration upon seven (7) days advance written notice to the other Party. The Parties shall divide equally the costs of the arbitrator and arbitration hearing, and each Party shall be responsible for its own expenses and those of its legal counsel or other representatives. The Parties agree that any determination of the arbitrator shall be final and binding and that judgment on the award in arbitration may be entered in any court of competent jurisdiction.

No Rights of Third Parties. This Agreement inures to the benefit of and is binding upon the parties and their respective successors and permitted assigns.

Amendment. This Agreement may not be amended, changed, modified, or altered unless such amendment, change, modification, or alteration is in writing and signed by both of the parties to this Agreement or their successors in interest.


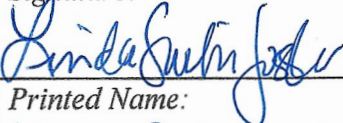
No Waiver. No waiver by either Party of any one or more defaults by the other Party in the performance of any of the provisions of this Agreement shall operate or be construed as a waiver of any other default or defaults whether of a like kind or different nature. Any delay, short of the maximum statutory period of limitations, in asserting or enforcing any right under this Agreement shall not be deemed a waiver of such right.

Complete Agreement. This Agreement sets forth the entire agreement of the parties' with respect to the matters contained herein, and all other prior and contemporaneous oral or written understandings, negotiations and agreements with respect to same are merged herein.

Governing Law. This Agreement shall be governed by and construed in accordance with the laws of the State of California applicable to contracts entered into and entirely to be performed therein without regard to conflict of law provisions.

Severability. If any article, phrase, provision or portion of this Agreement is, for any reason, held or adjudged to be invalid, illegal or unenforceable by any court of competent jurisdiction, such article, phrase, provision, or portion so adjudged will be deemed separate, distinct and independent, and the remainder of this Agreement will be and remain in full force and effect and will not be invalidated or rendered illegal or unenforceable or otherwise affected by such adjudication, provided the basic purposes of this Agreement and the benefits to the parties are not substantially impaired.

IN WITNESS WHEREOF, the Buyer and Seller hereto made and executed this Agreement for the Purchase and Sale of ERCs, signed by their duly authorized officers or individuals, as of the day and year first above written.

Buyer: Sierra Pacific Industries		Seller: World Vision Inc.	
Signature:	Title:	Signature:	Title:
	Mill Manager		National Director Planned Giving
Printed Name:	Date:	Printed Name:	Date:
Brian Coyle	8/15/23	Linda Skibiel-Gossler	8/15/23

requested, to the following account:

Chase

Wire Routing: 021000021

ACH Routing: 322271627

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For the Account of: AQC Environmental Brokerage Services, Inc.

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All funds paid shall be rendered in the form of immediately available United States dollars. Payment shall be made by wire transfer or in such other form as agreed to by the parties.

Buyer and Seller shall cooperate fully to obtain any and all required approvals and/or documents which may be required to retire ERCs in Buyer's name.

**Additional
Terms and
Conditions:**

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Change of Law. Immediately upon Buyer's receipt of documentation evidencing that the ERCs have been transferred to Buyer, the ERCs shall become the sole property and entitlement of Buyer. Should any change in law governing the ERCs occur prior to Buyer's receipt of documentation evidencing that the ERCs have been transferred to Buyer, and such change of law restricts or limits the nature, use, quality, duration or transferability of the ERCs (i.e. not simply a clarification or modification of existing law which has little or no effect on the ability of the parties hereto to effectuate this sale transaction or upon the nature and quality of the ERCs) (a "Change of Law"), then Buyer's sole recourse and remedy shall be to terminate this Agreement upon written notice to Seller, and upon Buyer's exercise of said termination, Seller shall return any amounts received from Buyer, and thereafter no party shall have any further liability or obligation to any other party hereto. If a Change of Law occurs after Buyer's receipt of documentation evidencing that the ERCs have been transferred to Buyer, then Buyer shall have no recourse or remedy against Seller.

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Indemnification. Each party agrees to indemnify, defend, and hold harmless the other party, and any of said other party's affiliates, directors, officers, employees, agents and permitted assigns, from and against all claims, losses, incidents, liabilities, damages, judgments, awards, fines, penalties, costs, and expenses (including reasonable attorneys' fees and disbursements) directly incurred in connection with or directly arising out of: (i) any breach of representation

or warranty or failure to perform any covenant or agreement in this Agreement; or (ii) any violation of applicable law, regulation or order by said party and (iii) and any adverse liens, claims or encumbrances on the ERCs.

Assignment. The parties may not assign their rights, duties and obligations pursuant to this Agreement, except as provided herein, without the prior written approval of the non-assigning party, which shall not be unreasonably withheld or delayed. Any assignment without the written approval of the non-assigning party is voidable by the non-assigning party.

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Amendment. This Agreement may not be amended, changed, modified, or altered unless such amendment, change, modification, or alteration is in writing and signed by both of the parties to this Agreement or their successors in interest.

No Waiver. No waiver by either Party of any one or more defaults by the other Party in the performance of any of the provisions of this Agreement shall operate or be construed as a waiver of any other default or defaults whether of a like kind or different nature. Any delay, short of the maximum statutory period of limitations, in asserting or enforcing any right under this Agreement shall not be deemed a waiver of such right.

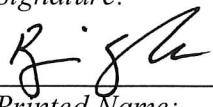

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Severability. If any article, phrase, provision or portion of this Agreement is, for any reason, held or adjudged to be invalid, illegal or unenforceable by any court of competent jurisdiction, such article, phrase, provision, or portion so adjudged will be deemed separate, distinct and independent, and the remainder of this Agreement will be and remain in full force and effect and will not be invalidated or rendered illegal or unenforceable or otherwise affected by such adjudication, provided the basic purposes of this Agreement and the benefits to the parties are not substantially impaired.

IN WITNESS WHEREOF, the Buyer and Seller hereto made and executed this Agreement for the Purchase and Sale of ERCs, signed by their duty authorized officers or individuals, as of the day and year first above written.

SM

Buyer: Sierra Pacific Industries		Seller:	
<i>Signature:</i> 	<i>Title:</i> Mill Manager	<i>Signature:</i> 	<i>Title:</i> EVP - Portfolio Management
<i>Printed Name:</i> Brian Coyle	<i>Date:</i> 8/15/23	<i>Printed Name:</i> Randy Lack	<i>Date:</i> September 6, 2023

Feather River Air Quality Management District
Application for Emission Reduction Credits
Transfer of Ownership



541 Washington Avenue
 Yuba City, CA 95991
 (530) 634-7659
 FAX (530) 634-7660
 www.fraqmd.org

Christopher D. Brown AICP
Air Pollution Control Officer

Filing Fee: \$30.00 (non-refundable and to be submitted with this application)

Effective 7/1/2006, per District Rule 7.11

DIRECTIONS: The owner of a FRAQMD ERC certificate must completely fill in this form and submit it to the District each time an ERC Certificate is transferred. Please be specific as to the amount and type of ERCs transferred and which specific emission elements are being transferred. This form must be filled in for each ERC Certificate subject to transfer.

1. SUMMARY INFORMATION

Certificate No: 2001-30-F-S2 Issue Date: _____

Previous registered owner (transferor): World Vision Inc.

New registered owner(s) (transferee): Sierra Pacific Industries

Total ERCs Authorized for Transfer (tons/qtr): NOx: _____ SOx: _____

ROG: 4.47 tons total PM10: _____

CO: _____

Company Official Authorized to Transfer ERCs:

Naomi Hinojos / Linda Skibiel-Gossler
Please Print Name

Linda Skibiel-Gossler
Signature

253-815-2576

Phone and Fax Numbers

nhinojos@WorldVision.org / lgossler@worldvision.org
E-Mail Address

2. TRANSFEREE CONTACT INFORMATION (Please Print)

Name: Jeremy Higgins / Brian Coyle

Company: Sierra Pacific Industries

Address: 1440 Lincoln Blvd.

City: Lincoln State: CA ZIP: 95648

Phone: 530-378-8179 Fax: _____

3. TRANSFER INFORMATION

- YES NO Will the ERC Certificate be transferred in whole?
- YES NO If a partial transfer of the ERC Certificate is occurring and there is more than one emission element, has the transferor detailed which ERCs are being transferred using the space below?
- YES NO Is this transfer Permanent? If not please specify, the following:

Date of Expiration: _____

Initials of Authorized Official: _____

Specify the ERC Certificate Emission Elements (by name and number), the pollutants, and the amounts that comprise the authorized transfer.

ROG Quarter 1 (lbs.) ; 2,235

ROG Quarter 2 (lbs.): 4,470

ROG Quarter 3 (lbs.): 0

ROG Quarter 4 (lbs.): 2,235

4. COST INFORMATION

(a) Transaction Type¹ Purchase Barter Subsidiary Other

(b) ERC Costs:

Pollutant	ERCs transferred (tons/yr)	Total Cost (\$)	Unit Cost (\$/ton)
ROG	4.47	111,750.00	25,000.00
NOx			
PM ₁₀			
SOx			
CO			

¹ If barter was involved and/or no money was exchanged for the ERCs, please calculate an equivalent "dollar per ton" value for the credit transaction. Barterers can include one company placing controls on another company to generate ERCs. The price should reflect the total cost to install the equipment and any additional fees paid as part of the agreement between both companies. The price paid should reflect the value of the ERC at the time of the transaction.

(c) Yes No Are the total cost values stated above one time payments? If No, please explain in detail the nature of the payments:

(d) Yes No Are there any other payment provisions associated with this transaction? If Yes, please detail:

5. DECLARATION OF TRANSFER

I, Naomi Hinojos / Linda Skibielt-Gossler hereby transfer to Sierra Pacific Industries the Emission Reduction Certificate number 2001-30-F-S2. I understand that the new registered owner of the ERC is entitled to all rights and privileges and will be subject to all the requirements and limitations related thereto.

Signature of Transferor Linda Skibielt-Gossler

Signature of Transferee: [Signature]

6. ADMINISTRATIVE REQUIREMENTS

Yes No Is the current original ERC Certificate enclosed? [Note: The District will not process the transfer without this submittal.]

Yes No Are all delinquent fees due by the transferor to the District paid or on an approved schedule of payment? [Note: The District will not process the transfer until all delinquent fees are paid.]

Yes No Is the Filing Fee included with the application?

FRAQMD*****

Receipt Number _____ Check Number _____ Date _____ Received By _____

Feather River Air Quality Management District
Application for Emission Reduction Credits
Transfer of Ownership



541 Washington Avenue
Yuba City, CA 95991
(530) 634-7659
FAX (530) 634-7660
www.fraqmd.org

Christopher D. Brown AICP
Air Pollution Control Officer

Filing Fee: \$30.00 (non-refundable and to be submitted with this application)
Effective 7/1/2006, per District Rule 7.11

DIRECTIONS: The owner of a FRAQMD ERC certificate must completely fill in this form and submit it to the District each time an ERC Certificate is transferred. Please be specific as to the amount and type of ERCs transferred and which specific emission elements are being transferred. This form must be filled in for each ERC Certificate subject to transfer.

1. SUMMARY INFORMATION

Certificate No: 2002-11-F Issue Date: _____

Previous registered owner (transferor): Element Markets, LLC

New registered owner(s) (transferee): Sierra Pacific Industries

Total ERCs Authorized for Transfer (tons/qtr): NOx: _____ SOx: _____

ROG: 2.264 tons total PM₁₀: _____

CO: _____

Company Official Authorized to Transfer ERCs: Randall Lack
Please Print Name

Randy Lack
Signature

281-207-7213
Phone and Fax Numbers

rlack@anewclimate.com
E-Mail Address

2. TRANSFEREE CONTACT INFORMATION (Please Print)

Name: Jeremy Higgins / Brian Coyle

Company: Sierra Pacific Industries

Address: 1440 Lincoln Blvd.

City: Lincoln State: CA ZIP: 95648

Phone: 530-378-8179 Fax: _____

3. TRANSFER INFORMATION

- YES NO Will the ERC Certificate be transferred in whole?
- YES NO If a partial transfer of the ERC Certificate is occurring and there is more than one emission element, has the transferor detailed which ERCs are being transferred using the space below?
- YES NO Is this transfer Permanent? If not please specify, the following:

Date of Expiration: _____

Initials of Authorized Official: _____

Specify the ERC Certificate Emission Elements (by name and number), the pollutants, and the amounts that comprise the authorized transfer.

ROG Quarter 1 (lbs.) ; 1,132

ROG Quarter 2 (lbs.): 2,264

ROG Quarter 3 (lbs.): 0

ROG Quarter 4 (lbs.): 1,132

4. COST INFORMATION

(a) Transaction Type¹ Purchase Barter Subsidiary Other

(b) ERC Costs:

Pollutant	ERCs transferred (tons/yr)	Total Cost (\$)	Unit Cost (\$/ton)
ROG	2.264	67,920.00	30,000.00
NOx			
PM ₁₀			
SOx			
CO			

¹ If barter was involved and/or no money was exchanged for the ERCs, please calculate an equivalent "dollar per ton" value for the credit transaction. Barterers can include one company placing controls on another company to generate ERCs. The price should reflect the total cost to install the equipment and any additional fees paid as part of the agreement between both companies. The price paid should reflect the value of the ERC at the time of the transaction.

(c) Yes No Are the total cost values stated above one time payments? If No, please explain in detail the nature of the payments:

(d) Yes No Are there any other payment provisions associated with this transaction? If Yes, please detail:

5. DECLARATION OF TRANSFER

I, Randall Lack hereby transfer to Sierra Pacific Industries the Emission Reduction Certificate number 2002-11-F. I understand that the new registered owner of the ERC is entitled to all rights and privileges and will be subject to all the requirements and limitations related thereto.

Signature of Transferor Randy Lack

Signature of Transferee: 

6. ADMINISTRATIVE REQUIREMENTS

Yes No Is the current original ERC Certificate enclosed? [Note: The District will not process the transfer without this submittal.]

Yes No Are all delinquent fees due by the transferor to the District paid or on an approved schedule of payment? [Note: The District will not process the transfer until all delinquent fees are paid.]

Yes No Is the Filing Fee included with the application?

FRAQMD*****

Receipt Number _____ Check Number _____ Date _____ Received By _____



Serving Sutter and Yuba Counties

541 Washington Avenue
Yuba City, CA 95991
(530) 634-7659
FAX (530) 634-7660
www.fraqmd.org

Christopher D. Brown AICP
Air Pollution Control Officer

**Emission Reduction Credit
Certificate No. 2001-30-F-S2**

IS HEREBY GRANTED TO

**WORLD VISION, INC.
PO Box 9716**

Federal Way, WA 98063

FOR EMISSION REDUCTIONS FROM:

Reduction of open burning of biofuels from the Sutter County fields

The following emission reduction credits, in pounds per calendar quarter, are hereby granted pursuant to Feather River Air Quality Management District (FRAQMD) Rule 10.2, Emission Reduction Credit and Banking:

(in pounds)	1 st Quarter	2 nd Quarter	3 rd Quarter	4 th Quarter
ROG	10,629	4,470	0	12,366
NOx	9,085	0	0	10,990
SOx	3,424	2,216	604	3,827
PM ₁₀	7,404	3,398	0	9,711
CO	178,671	115,611	31,530	199,691

CONDITIONS:

1. The ERCs described in this certificate are subject to all provisions of FRAQMD Rule 10.2, Emission Reduction Credit and Banking, and to all amendments of the rule after the date this certificate is issued. As of the date this certificate is issued, Rule 10.2 provides, among other things, as follows:
 - (a) This certificate is not valid unless sealed with the official FRAQMD seal. [Rule 10.2.D.6]
 - (b) Any sale, lease, transfer, or use of this certificate must be approved in writing by FRAQMD's Air Pollution Control Officer.
 - (c) Before using this certificate in another air district, the registered owner must obtain written approval from both FRAQMD and the other air district. Approval may be by the governing boards of FRAQMD and the other district or by the air pollution control officers of FRAQMD and the other district if their boards have so authorized. [Rule 10.2.F; see also Manual of Procedures, §§ 1.0 (k) & 7.0]

2001-30-F-S2

NOTICE: IN ADDITION, THIS CERTIFICATE MAY BE REVISED TO ADJUST THE QUANTITY OF BANKED ERCs IF FRAQMD DETERMINES IN ITS SOLE DISCRETION THAT ADJUSTMENT IS NEEDED TO MAINTAIN CONTINUED COMPLIANCE WITH APPLICABLE FRAQMD, STATE, OR FEDERAL RULES OR PLANNING REQUIREMENTS, INCLUDING ANY AMENDMENTS TO THOSE RULES OR REQUIREMENTS AFTER THIS CERTIFICATE IS ISSUED. [Health and Safety Code §40709.5(c)]



Christopher D. Brown AICP
Air Pollution Control Officer

6/23/16

Date



Planned Giving

P.O. Box 9716
Federal Way, WA 98063-9716

1.800.426.5753

plannedgiving@worldvision.org

worldvision.org/mylegacy

August 15, 2023

AQC Environmental Brokerage Service Inc
Attention: Jackie Ferlita
915 Walnut Ave
Huntington Beach, CA 92648

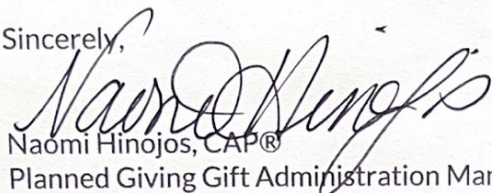
Dear Jackie,

Enclosed you will find the original ERC certificate No. 2001-3-F-S2 that is to be attached to the package that will be sent to FRAQMD.

Please let me know if you should need any additional information or have any questions.

I can be reached via email at nhinojos@worldvision.org or by phone at 253-815-2576.

Sincerely,



Naomi Hinojos, CAP®
Planned Giving Gift Administration Manager

And do not forget to do good and to share with others, for
with such sacrifices God is pleased.

—Hebrews 13:16 (NIV)



AllPaid
7820 Innovation Boulevard Suite 250
Indianapolis, IN 46278
24hr. Customer Service #: 888-604-7888

Miscellaneous Invoice Payment Confirmation (Ref #: 39702513)

PLC: Feather River Air Quality Management District **Date:** 09/06/2023 11:59 EDT
9077 541 Washington Avenue
Yuba City, California 95901
For: Miscellaneous Invoice

TRANSACTION INFORMATION

Name:	Jaclyn Ferlita	Transaction Reference #:	39702513
Notes:	Transfer Of Ercs From World Vision To Sierra Pacific Industries	Transaction Date/Time:	09/06/2023 11:59 EDT
Phone #:	(949)735-0154		
Email Address:	Moogferlita@aqc-inc.com		

SENDERs INFORMATION

Senders Name:	Jaclyn Ferlita
Address:	5881 Engineer Dr
City, State Zip:	Huntington Beach, Ca 92649
Phone #:	(949)735-0154
Card #:	xxxx-xxxx-xxxx-1005

PAYMENT INFORMATION

Approval #:	261568
TRANSFER AMOUNT:	\$30.00
TRANSFER FEE:	\$1.75
TOTAL PAYMENT AMOUNT:	\$31.75
TOTAL TO RECIPIENT:	\$30.00

Transfer Fee is non-refundable.

If you are a California resident, then the following also applies to you:

Right to Refund

You, the customer, are entitled to a refund of the money to be transmitted as the result of this agreement if AllPaid does not forward the money received from you within 10 days of the date of its receipt, or does not give instructions committing an equivalent amount of money to the person designated by you within 10 days of the date of the receipt of the funds from you unless otherwise instructed by you. If your instructions as to when the moneys shall be forwarded or transmitted are not complied with and the money has not yet been forwarded or transmitted, you have a right to a refund of your money.

If you want a refund, you must mail or deliver your written request to AllPaid at 7820 Innovation Boulevard, Suite 250, Indianapolis, IN 46278. If you do not receive your refund, you may be entitled to your money back plus a penalty of up to \$1,000 and attorneys fees pursuant to section 2102 of the California Financial Code.

Thank you for using AllPaid



AllPaid
7820 Innovation Boulevard Suite 250
Indianapolis, IN 46278
24hr. Customer Service #: 888-604-7888

Miscellaneous Invoice Payment Confirmation (Ref #: 39702547)

PLC: Feather River Air Quality Management District **Date:** 09/06/2023 12:00 EDT
9077 **541 Washington Avenue**
 Yuba City, California 95901
 For: Miscellaneous Invoice

TRANSACTION INFORMATION

Name:	Jaclyn Ferlita	Transaction Reference #:	39702547
Notes:	Transfer Of Ercs From Element Markets To Sierra Pacific Industries	Transaction Date/Time:	09/06/2023 12:00 EDT
Phone #:	(949)735-0154		
Email Address:	Moogferlita@aqc-inc.com		

SENDERs INFORMATION

Senders Name:	Jaclyn Ferlita
Address:	5881 Engineer Dr
City, State Zip:	Huntington Beach, Ca 92649
Phone #:	(949)735-0154
Card #:	xxxx-xxxx-xxxx-1005

PAYMENT INFORMATION

Approval #:	267937
TRANSFER AMOUNT:	\$30.00
TRANSFER FEE:	\$1.75
TOTAL PAYMENT AMOUNT:	\$31.75
TOTAL TO RECIPIENT:	\$30.00

Transfer Fee is non-refundable.

If you are a California resident, then the following also applies to you:

Right to Refund

You, the customer, are entitled to a refund of the money to be transmitted as the result of this agreement if AllPaid does not forward the money received from you within 10 days of the date of its receipt, or does not give instructions committing an equivalent amount of money to the person designated by you within 10 days of the date of the receipt of the funds from you unless otherwise instructed by you. If your instructions as to when the moneys shall be forwarded or transmitted are not complied with and the money has not yet been forwarded or transmitted, you have a right to a refund of your money.

If you want a refund, you must mail or deliver your written request to AllPaid at 7820 Innovation Boulevard, Suite 250, Indianapolis, IN 46278. If you do not receive your refund, you may be entitled to your money back plus a penalty of up to \$1,000 and attorneys fees pursuant to section 2102 of the California Financial Code.

Thank you for using AllPaid

ATTACHMENT B

Resolution #2023-14

RESOLUTION #2023-14 OF THE BOARD OF DIRECTORS AUTHORIZING THE TRANSFER OF EMISSION REDUCTION CREDITS FROM FEATHER RIVER AIR QUALITY MANAGEMENT DISTRICT TO PLACER COUNTY AIR POLLUTION CONTROL DISTRICT

WHEREAS, California Health & Safety Code Section 40709.6(a) allows increases in emissions of air pollutants at a stationary source located in one district to be offset by emission reductions credited to a stationary source located in another district if both stationary sources are located in the same air basin; and

WHEREAS, California Health & Safety Code Section 40709.6(d) requires any offset credited pursuant to Section 40709.6(a) to be approved by a resolution adopted by the governing boards of both districts after taking into consideration the impact of the offset on air quality, public health, and the regional economy; and

WHEREAS, Section 40709.6(d) allows the governing board of any district to delegate the authority to approve offsets pursuant to Section 40709.6(a) to its Air Pollution Control Officer (“APCO”) of the District; and

WHEREAS, Sierra Pacific Industries (SPI) has filed an Application for Authority to Construct with the PCAPCD to increase emissions at their Lincoln facility (“Project”); and

WHEREAS, one of the requirements with which the Project must comply is the provision of offsets pursuant to PCAPCD Rule 502; and

WHEREAS, Placer County Air Pollution Control District Rule 502 section 303.7 allows offsets that are obtained from a source located in another district to be used if the provisions of Section 303.7.3 are met; and

WHEREAS, the Project intends to acquire offsets generated in the Sacramento Valley Air Basin and banked by the FRAQMD to use as Project ERCs; and

WHEREAS, the Governing Board of the Placer County Air Pollution Control District (“PCAPCD”) has not delegated its approval authority under Section 40709.6(d) to its APCO for transfers exceeding 10 tons per year; and

WHEREAS, Sierra Pacific Industries has identified ERC certificates owned by World Vision, Inc. and Element Markets, holders of the ERCs certified by the FRAQMD, that grants the Project an option to use up to 6.734 tons of Reactive Organic Gas (ROG) ERCs from FRAQMD ERC certificates 2001-30-F-S2 and 2002-11-F; and

WHEREAS, the Project will meet all applicable federal, state, and local air quality statutes, rules, and regulations; and

WHEREAS, the Project will not cause or contribute to an exceedance of an applicable air quality standard; and

WHEREAS, the Project will cause a net decrease in air emissions in the Sacramento Valley Air Basin; and

WHEREAS, the transfer of ERCs and their use as offsets by the Project will have a positive impact on the regional economy by allowing the development of the Project, which represents an investment in the regional economy;

NOW, THEREFORE, BE IT RESOLVED that the Governing Board of the FRAQMD, after consideration of the air quality, public health, and regional economy impacts of the proposed offsets, hereby directs the Air Pollution Control Officer to enter into an MOU with the PCAPCD, if required, so that the use of emission reduction credits from the FRAQMD can be used to offset emission increases from Sierra Pacific Industries' facility.

PASSED AND ADOPTED by the Feather River Air Quality Management District at a meeting on October 2, 2023, by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

ATTEST
CLERK OF THE DISTRICT BOARD

Chairman

APPROVED FOR LEGAL FORM
