

Liabilities into Assets

Liability biomass is an accounting category, not a fuel type.

Gila WoodNet's charter, 1998: to transform liabilities into assets.

The real accounting behind a rural circular forest restoration economy

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RESTORE & MAINTAIN RESILIENT LANDSCAPES

The bottleneck is the missing industry.

~5M

acres needing treatment
statewide, on a rotating cycle

300,000

acres a year that pace would
require

13,954

acres NM State Forestry
treated in FY24

A full cycle at today's pace: roughly 350 years.

“Long-term, consistent financial support for local forest industry is the highest prerequisite priority.”

Colfax County CWPP,
2022

WHAT A FIRE ACTUALLY COSTS

Suppression was three percent.

Cerro Grande, Los Alamos, 2000 · 42,873 acres

Suppression



\$33.5M

Property, facilities & claims



\$864.5M

Rehabilitation



\$72.4M

\$970 million

total cost, about \$22,600 per acre (2010 dollars)

2x to 30x

how far true cost exceeds reported suppression

Three ways to handle it.

I

Least cost, most acres

Treat waste as waste. Out-of-state crews, pile burn. Maximum acres per dollar, no local capacity built.

II

One big centralized plant

Pellet mills, institutional boilers, biomass-to-electricity. New Mexico has tried all three.

III

A collaborative local network

Many businesses and land managers around a shared sort yard. Diverse products, low startup capital.

What III looks like on the ground: one node, sized to one county.

THE UNIT ECONOMICS, PLAINLY

What's sitting on one treated acre.

20 tons

of saw logs and slash

6 tons

of biochar, worth about
\$1,500

126M BTU

of energy, about \$5,000 of
propane

+ disposal

hauling, piling, tipping fees

Northern New Mexico College closed its historic El Rito campus in 2015 because it could not afford the propane bills. The fuel was sitting on the Carson next door.

Most of the return is social and environmental - which is exactly why it needs public investment.

FIRE ADAPTED COMMUNITIES

The funding is already flowing past us.

Colfax County alone - restoration already funded, all of it generating material with nowhere to go:

\$8.05M

over 4.5 years - fuel breaks across 2,606 acres in nine communities

\$3.0M

in progress - about 1,500 acres across three private ranches

\$1.82M

Flying Horse Ranch - a fuel break widened and extended to 14.2 miles

22,000/yr

the Cimarron Watershed Alliance's standing treatment goal, in acres

The raw material is sourced by remediating somebody else's problem.

THE HONEST PART

Five things actually stand in the way.

- 1 Leadership** No path forward without an entrepreneur willing to take the core operator role.
- 2 Feedstock** Not conversion technology - collection and haul. The equipment here is the wrong shape for this material.
- 3 Workforce** Shortages are rampant statewide and worse in these counties. The work is physical, seasonal, low-paying.
- 4 Housing** One regional operator is down to four employees because there is nowhere for workers to live.
- 5 Funding** Grants, state support and private finance all exist. None are built around a network that scales.

None of these are technology problems. All are solvable at county and fireshed scale.

THE ASK

Count the whole ledger.

- 1** Fund proactive restoration and utilization at the scale we already fund suppression and recovery. The money exists - it is being spent after the fire instead of before it.
- 2** Write avoided cost into how projects are evaluated: life-cycle accounting, net public benefit, genuine progress - not one operator's margin on a ton of chips.
- 3** Attach a utilization requirement, and a local hiring requirement, to the restoration dollars already moving through these counties.
- 4** Back the boring infrastructure: a sort yard, haul equipment, workforce housing. That is what turns a liability into an asset, and a grant into an industry.