

Colorado Forest Biomass Use Work Group: Minutes
Wednesday 27 July 2011 · 10AM – 3PM

In Attendance

Joe Duda, Amanda Bucknam, Susan Ford (dial-in), Jan Hackett, Mike Eckhoff, Tim Reader, Doug Robotham, John Scahill, Phil Kastelic, Stacey Simms, John Stulp, Normand Birtcher, Tim Sullivan, Kathryn Valdez, Leanne Arrant, Michelle Stermer, Joe Pandey, Rebecca Lim

Welcome and Introductions

The Work Group meeting convened at 9:00. Joe Duda made several announcements:

- A working draft report will be disseminated to the Work Group by September 20th.
- September's Work Group meeting will be held in either Basalt or Carbondale with the For the Forest group's event.
- The September 28 meeting will be split in half with the first half reserved for reviewing the draft report and the second half for participating with "For the Forest."

Tom Troxel: Federal Contracting Guidelines and Recommendations in the Contracting Process to Facilitate Biomass Removals and Utilization

Tom Troxel's presentation is available on the document depot.

Some take-home points:

- On USFS lands, harvesting is limited to approximately 10% of annual tree growth.
- Between 60 million and 80 million acres are at high risk for wildfire.
- About half of the USFS is slated for wildfire activities.
- Uncertainty is a major barrier for federal forest-related contracting.
- Additional problems stem from large quantities of low quality, low value wood.

Tom Troxel will send a spreadsheet detailing the 52 stewardship contracts in Region 2 and also a link discussing multi-party monitoring with the USFS.

John Scahill: Biomass Technologies and Their Barriers to Adoption and Application to Biomass Utilization

John Scahill's presentation is available on the document depot.

Some take-home points:

- The integrated biorefinery concept is not appropriate for Colorado.
- The best hope for combined heat and power (CHP) is an integrated forest products industry.
- Barriers include problems associated with a fixed location for consumption and the comparatively high cost of a feedstock characterized by a low energy density.
- Bio-char (Terra Preta) can significantly enhance soils and sequester carbon.
- Liquid fuels from biomass offer the most promise but viable commercial systems are at least 5 years away.

Dan Colgan: Historical, Current, and Future Overview of Colorado's Wood Products Industry and Market Competitiveness

Dan Colgan did not use a PowerPoint; an electronic presentation is not available.

Take-home points:

- Timber production in Colorado has changed significantly over the past half-century.
- The United States is relying increasingly more on imported timber.
- Part of the reason can be seen in Colorado and Wyoming: domestic production has decreased by 80% since the peak in the late 1960s to early 1970s.
- No full-size mills exist today in Arizona or New Mexico.
- Demand still exists. Colorado consumes roughly 1 billion board feet annually, equaling the net tree growth of Colorado's forests.
- Colorado's exports are mainly spruce with some lodgepole pine; most of Colorado's exports go to the southeastern United States, Texas and Chicago.
- Northern Colorado lacks full-size mills; product obtained from northern Colorado forests is sent south for processing.
- Southern Colorado will likely lose its full-size mills without changes.
- Colorado's 12 large mills produce just shy of 1 million board feet per day; the average mill in British Columbia, Canada, produces an average of 1 million board feet per day.
- One of the key barriers is the lack of a guaranteed long-term supply.
- Also, forest product integration is necessary i.e. a high end or high value product is needed to offset the costs of producing low end or low value products.
- A utilization standard is needed to increase shared responsibility of the land and to help change prescriptions for gaining access to lands with viable material as quality drops.
- Additional barriers include: Canada discounts railroad flatbed cars, weight limits on Colorado highways place the state at a comparative disadvantage and regulations and technological changes are potentially areas ripe for review.

Discussion on Additional Questions for Exploration (Think: barriers/recommendations)

The initial discussion focused on questions pertaining to the focus of the legislation and its intent. Questions were raised as to whether or not SB11-267 should focus (more) on the wildland-urban interface (WUI). The intent of the legislation was to include but also go beyond the WUI.

The next period of discussion involved running down the list of questions developed by the Work Group at the June Meeting.

Q1: Are CO₂ emissions potentially a barrier?

A1: Yes.

- Title V permitting (regardless of innovation) is a barrier,
- Emissions could rile state standards.
- CO₂ in and of itself is a problem.

Q2: What role exists for the PUC for transporting forest biomass (e.g. railroads)? What could potentially be done here?

A2: Several roles exist.

- Truck configurations and weight limits could be reviewed.
- Confluence Energy is experiencing problems with constructing a truck-to-railroad siding. Recommendations from the PUC might be helpful.
- Caution might be warranted when invoking government intervention.

Q3: What facilities are suitable for conversion to using forest biomass to meet their energy needs? Is this a barrier? What are the recommendations to be made?

A3: Several ideas were offered.

- Facilities that have 24-7 demand (ex. hospitals, commercial facilities, recreation facilities, etc.) might be suitable.
- Pilot projects other than wood boilers (i.e. CHP) might be ideal.
- Characterizing the demand sector might be helpful (i.e. size and # of installations).
- Identify / inventory facilities? The CSFS could take the lead?
- Identify champions / successful economics.
- Barriers:
 - Lack of education among potential users, builders and buyers
 - Lack of an organized lobby (difficult to achieve as the different technologies and approaches have different needs and wants)
- Possible recommendations:
 - Require new government buildings to consider the use of wood in construction and in meeting energy needs instead of merely recommending builders consider wood
 - Encourage use of wood through financial instruments (e.g. credits, multipliers, etc.)
 - Make sure biomass is part of the Building Excellent Schools Today program
 - Communicate the full costs of not using wood for facilities to watershed and water-managing agencies (“Forest-to-Faucet”)

Q4: If the technology exists to use forest biomass, why isn't it being used (more) on the ground?

A4: Many possible reasons exist.

- Barriers:
 - Costs. So long as cheaper (or subsidized) alternatives exist, biomass will lose.
 - Price of wood is sensitive (e.g. equipment, transportation, etc.).
 - Access to a long-term supply is lacking.
 - Perception: trees as crop vs. trees as park.
 - Contracting issues
- Recommendations:
 - Improve housing market (esp. construction). As housing rebounds, prices increase and so will construction-related industries (i.e. wood production).
 - Provide guaranteed, long-term access to supplies.

Action Items

E-mail Items

- For Question 1, Phi Kastelic has offered to draft a response.
- For Question 2, Stacey Simms has offered to follow up with Dan Bihn and Rob Davis.
- For Question 4, John Scahill has offered to draft a response.

Additional Items

- For Question 5 (Why don't we use wood, i.e. what are the costs involved in working in the forest? (Ex. Washington and Oregon have higher load limits on their highways than Colorado. Why?) What are the barriers? What are the recommendations?), Norm Birtcher has offered to draft a response.
- For Question 6 (Why are the barriers to converting federal buildings to use forest biomass in Colorado?)
- For Question 7 (Do ways exist to reduce management costs to the federal government? Identify and clarify recommendations.), Tim Sullivan will draft a response.
- For Question 8 (What are the components, including legal barriers, at the local government level?), Mike Eckhoff will draft a response.
- For Question 9 (What are our recommendations for increasing the biomass profile at the state level?)

- For Question 10 (What are the current incentives and subsidies for biomass? How is the playing field not level? What are our recommendations?), Rebecca Lim will draft a response.

Please remember to be brief! Responses will be included in the draft report for discussion by the entire Work Group.

A sample response developed for Question 12 (What is the PUC definition of biomass and how does that differ from the one in the C.R.S.? What are our recommendations?) is available on the document depot.