

# HOUSE BILL REPORT

## HB 2165

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### As Passed Legislature

**Title:** An act relating to authorizing the department of natural resources to conduct a forest biomass energy demonstration project.

**Brief Description:** Authorizing the department of natural resources to conduct a forest biomass energy demonstration project.

**Sponsors:** Representatives Van De Wege, Haler, Blake, Kretz, McCoy, Hinkle, Ormsby, Nelson, Eddy, Hasegawa, Takko, Chase, Kenney, Warnick and Morrell; by request of Department of Natural Resources.

### Brief History:

#### Committee Activity:

Technology, Energy & Communications: 2/16/09, 2/19/09 [DP];

General Government Appropriations: 2/26/09 [DP].

#### Floor Activity:

Passed House: 3/6/09, 96-0.

Senate Amended.

Passed Senate: 4/7/09, 44-0.

House Concurred.

Passed House: 4/18/09, 96-0.

Passed Legislature.

### Brief Summary of Bill

- Authorizes the Department of Natural Resources (Department) to conduct forest biomass energy demonstration projects.
- Authorizes the Department to form forest biomass energy partnerships or cooperatives to develop and implement the demonstration projects.

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### HOUSE COMMITTEE ON TECHNOLOGY, ENERGY & COMMUNICATIONS

**Majority Report:** Do pass. Signed by 15 members: Representatives McCoy, Chair; Crouse, Ranking Minority Member; Haler, Assistant Ranking Minority Member; Carlyle, Condotta, Eddy, Finn, Hasegawa, Herrera, Hudgins, Jacks, McCune, Morris, Takko and Van De Wege.

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*This analysis was prepared by non-partisan legislative staff for the use of legislative members in their deliberations. This analysis is not a part of the legislation nor does it constitute a statement of legislative intent.*

**Staff:** Scott Richards (786-7156)

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## HOUSE COMMITTEE ON GENERAL GOVERNMENT APPROPRIATIONS

**Majority Report:** Do pass. Signed by 13 members: Representatives Darneille, Chair; Takko, Vice Chair; McCune, Ranking Minority Member; Hinkle, Assistant Ranking Minority Member; Blake, Dunshee, Hudgins, Kenney, Pedersen, Sells, Short, Van De Wege and Williams.

**Staff:** Owen Rowe (786-7391)

### **Background:**

The Department of Natural Resources manages 5.6 million acres of forest, range, agricultural, aquatic, and commercial lands for the people of Washington. Much of this land (3 million acres) is state trust land that provides revenue to help pay for construction of public schools, universities, and other state institutions, and funds services in many counties.

There are three primary sources of woody biomass in Washington. Wood products residue is the wood waste generated at sawmills and wood products mills. Urban wood waste includes discarded wood and yard debris. Forest biomass is residual biomass material generated from logging or thinning activities on forests.

Tree tops, limbs, and cull material left over from logging activity represents a large potential resource for biomass energy.

### **Summary of Bill:**

The Department of Natural Resources (Department) may develop and implement forest biomass energy demonstration projects (demonstration projects), one east of the crest of the Cascade mountains and one west of the crest of the Cascade mountains.

The demonstration projects must be designed to: (1) reveal the utility of Washington's public and private forest biomass feedstocks; (2) create green jobs; (3) generate renewable energy; (4) generate revenues or improve asset values for beneficiaries of state lands and state forest lands; (5) improve forest health; (6) reduce pollution; and (7) restore ecological function. In designing the demonstration project, the Department must avoid interfering with the current working area for forest biomass collection surrounding an existing fixed location biomass energy production site.

To develop and implement the demonstration projects, the Department may form forest biomass energy partnerships or cooperatives. The forest biomass energy partnerships or cooperatives are encouraged to be public-private partnerships focused on convening the entities necessary to grow, harvest, process, transport, and utilize forest biomass to generate renewable energy. Particular focus must be given to recruiting and employing emerging technologies that can locally process forest biomass feedstock to create local green jobs and reduce transportation costs.

The forest biomass energy partnerships or cooperatives may include, but are not limited to: (1) entrepreneurs; (2) industrial electricity producers; (3) contractors; (4) tribes; (5) federal land management agencies; (6) county, city, and other local governments; (7) the Department of Community, Trade and Economic Development; (8) state trust land managers; (9) an organization dedicated to protecting and strengthening the jobs, rights, and working conditions of Washington's working families; (10) accredited research institutions; (11) an industrial timber land manager; (12) a small forest landowner; and (13) a not-for-profit conservation organization.

The Department is authorized to seek grants or financing from the federal government, industry, or philanthropists for the purpose of the demonstration projects.

Report to the Legislature.

By December 2010 the Department must provide a progress report to the Legislature regarding its efforts to develop, implement, and evaluate forest biomass energy demonstration projects and any other department initiatives related to forest biomass.

The report may include an evaluation of:

- the status of the Department's abilities to secure funding, partners, and other resources for the demonstration projects;
- the status of the demonstration projects resulting from the Department's efforts;
- the status and, if applicable, additional needs of forest landowners within the demonstration project areas for estimating sustainable forest biomass yields and availability;
- forest biomass feedstock supply and forest biomass market demand barriers, and how they can best be overcome, including actions by the Legislature and the U.S. Congress; and
- sustainability measures that may be instituted by the state to ensure that an increasing demand for forest biomass feedstocks does not impair public resources or the ecological conditions of forests.

Definition.

"Forest biomass" means the byproducts of: (1) current forest practices prescribed or permitted under chapter 76.09 RCW; (2) current forest protection treatments prescribed or permitted under chapter 76.04 RCW; or (3) the byproducts of forest health treatments prescribed or permitted under chapter 76.06 RCW. Forest biomass does not include wood pieces that have been treated with chemical preservatives such as: (1) creosote, pentachlorophenol, or copper-chrome-arsenic; (2) wood from old growth forests, except wood removed for forest health treatments under chapter 76.06 RCW; (3) wood required by chapter 76.04 RCW for large woody debris recruitment; or (4) municipal solid waste.

**Appropriation:** None.

**Fiscal Note:** Available.

**Effective Date:** The bill takes effect 90 days after adjournment of the session in which the bill is passed.

**Staff Summary of Public Testimony (Technology, Energy & Communications):**

(In support) This bill does not require any additional resources from the Legislature. Instead, there is the potential for long-term indirect savings. The pilot programs will show technology in the field and speed new technologies to the marketplace. This bill will allow a full array of technologies from mobile gasifiers to wood base methanol. This is the first step in creating a new industry. These projects will put to use wood materials that are often burned. In one stroke this bill can address green jobs, forest health, fireproofing forest stands, renewable fuels, climate change, and hopefully generate a new revenue stream.

(Opposed) None.

**Staff Summary of Public Testimony (General Government Appropriations):**

(In support) This bill promotes forest health and clean energy. The Department of Natural Resources will only be able to do this if federal funds are available; federal economic stimulus funds may be available for this.

(Opposed) None.

**Persons Testifying (Technology, Energy & Communications):** Peter Goldmark, Commissioner of Public Lands; Aaron Everett and Heath Packard, Washington State Department of Natural Resources; Stephen Bernath, Washington State Department of Ecology; Bob Guenther, International Brotherhood of Electrical Workers Local 77; Mark Doumit, Washington Forest Protection Association; Miguel Perez-Gibson, Audubon Washington; Bill Robinson, The Nature Conservancy; Stan Gent, Seattle Steam Company; Ahava Amen, New Earth; Merrill Ott, Stevens County Commission; Dale Borgford, Borgford Bio Energy, LLC.; and Bill Quigg, Grays Harbor Paper.

**Persons Testifying (General Government Appropriations):** Representative Van De Wege, prime sponsor; and Heath Packard, Department of Natural Resources.

**Persons Signed In To Testify But Not Testifying (Technology, Energy & Communications):** None.

**Persons Signed In To Testify But Not Testifying (General Government Appropriations):** None.