

# SENATE BILL REPORT

## HB 2165

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As of March 25, 2009

**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:** Passed House: 3/06/09, 96-0.

**Committee Activity:** Natural Resources, Ocean & Recreation: 3/25/09.

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### SENATE COMMITTEE ON NATURAL RESOURCES, OCEAN & RECREATION

**Staff:** Sherry McNamara (786-7402)

**Background:** The Department of Natural Resources (DNR) manages three million acres of state trust lands to provide revenue for specific beneficiaries and to benefit the public. One of the revenue-producing activities on state trust lands is the sustainable management and harvest of timber and forest products.

Forest biomass includes harvest residues such as tops, limbs, and thinning material, and mill products such as bark, sawdust, and limb ends from the wood processing industry.

**Summary of Bill:** DNR may develop and implement two forest biomass energy demonstration projects (projects), one east and one west of the Cascade mountains. The projects must be designed to:

- reveal the value of the state's public and private forest biomass;
- create green jobs;
- generate renewable energy;
- improve forest health;
- reduce pollution; and
- restore ecological function.

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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.*

DNR may form forest biomass energy partnerships or cooperatives (partnerships or cooperatives) to assist in the development and implementation of the projects. The partnerships or cooperatives are encouraged to be public-private partnerships focused on bringing together entities necessary to grow, harvest, process, transport, and use forest biomass to generate renewable energy.

The partnerships or cooperatives may include, but are not limited to:

- entrepreneurs;
- industrial electricity producers;
- contractors;
- tribes;
- federal land management agencies;
- county, city, and other local governments;
- the Department of Community, Trade and Economic Development;
- state trust land managers;
- an organization dedicated to protecting and strengthening the jobs, rights, and working conditions of Washington's working families;
- accredited research institutions;
- an industrial timber land manager;
- a small forest landowner; and
- a not-for-profit conservation organization.

DNR must provide a progress report to the Legislature by December 2010 on its efforts to develop and implement the projects.

DNR may seek grants or financing from the federal government, industry, or philanthropists.

**Appropriation:** None.

**Fiscal Note:** Available.

**Committee/Commission/Task Force Created:** No.

**Effective Date:** Ninety days after adjournment of session in which bill is passed.

**Staff Summary of Public Testimony:** PRO: The hope is that the forest biomass energy demonstration projects will stimulate new markets for renewable energy in the state. These projects provide a tremendous opportunity to use our woody biomass for creating a new industry. This bill will create jobs in the forest sector, remove a potential fire hazard, improve forest health, and generate renewable energy. The pilot projects are needed to get a market-base solution to providing biomass energy by showcasing the technologies available today. The bill provides for public-private partnerships and leaves the field wide-open for a method to move forward on processing forest biomass for energy.

**Persons Testifying:** PRO: Representative Van De Wege, prime sponsor; Heath Packard, DNR; Debora Munguia, Washington Forest Protection Association; Bill Robinson, The Nature Conservancy; Sean O'Sullivan, Association of Western Pulp and Paper Workers.