H-1502.1		

## SUBSTITUTE HOUSE BILL 1422

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State of Washington 62nd Legislature 2011 Regular Session

By House Technology, Energy & Communications (originally sponsored by Representatives Stanford, Orcutt, Chandler, Warnick, Van De Wege, Green, Smith, Jacks, Blake, Sullivan, McCoy, Kretz, Tharinger, Ryu, Short, Sells, Lytton, Liias, Frockt, Moscoso, Billig, Probst, Rolfes, Dunshee, Maxwell, Upthegrove, and Kenney; by request of Commissioner of Public Lands)

READ FIRST TIME 02/11/11.

- 1 AN ACT Relating to authorizing the department of natural resources
- 2 to conduct a forest biomass to aviation fuel demonstration project to
- 3 facilitate Washington leading the nation in aviation biofuel
- 4 production; and creating new sections.
- 5 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF WASHINGTON:
- NEW SECTION. Sec. 1. The legislature finds that forest biomass is an abundant and renewable by-product of Washington's forest land management. Forest biomass can be utilized to generate clean renewable
- 9 aviation fuels.
- 10 In some Washington forests, residual forest biomass is burned on
- 11 site or left to decompose. The lack of forest products markets in some
- 12 areas means that removal of standing forest biomass for forest health
- 13 and wildfire risk reduction treatments must occur at substantial cost.
- 14 Utilizing forest biomass to generate clean renewable aviation fuels can
- 15 reduce greenhouse gases emitted from burning forest biomass in open
- 16 slash piles.
- 17 Research recently conducted in the Pacific Northwest found that
- 18 emissions from regulated facilities utilizing forest residuals as their

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feedstock emitted fewer greenhouse gases into the atmosphere than burning the feedstock in an open slash burn or, in some cases, fewer emissions than leaving the biomass to biodegrade.

The legislature finds that making use of the state's forest biomass resources for aviation fuel production may increase the value of Washington's commercial forest lands, generate new revenues from state lands, protect forest land of all ownerships from severe forest health problems and uncharacteristic wildfire, stimulate Washington's economy, create green jobs, and reduce Washington's dependence on foreign oil.

The legislature finds that opportunities exist to create living-wage green jobs through the development of an aviation biofuel sector in the state. Exploring opportunities for the forest products sector to collaborate with the states existing aviation sector to meet renewable energy goals will also help maintain existing jobs in both of these industries.

The legislature finds that work is already underway in exploring the potential of linking Washington's strong past in both timber and aeronautics with our future in renewable energy. The department of natural resource's forest biomass initiative and the sustainable aviation fuel northwest initiative have set the stage to enable Washington to emerge as a national leader in greening our country's and our world's aviation fuel.

It is the intent of the legislature to support existing efforts through the development and implementation of a forest biomass to aviation fuel demonstration biofacility project and strategy for initiating a broad forest biomass to aviation fuel sector in Washington.

- NEW SECTION. Sec. 2. The department of natural resources may develop and implement a forest biomass to aviation fuel demonstration project.
  - (1) The demonstration project must be designed to:
  - (a) Demonstrate opportunities for state lands to generate trust income through the development of aviation biofuel production capacity;
    - (b) Create green jobs;

35 (c) Avoid interfering with the current supply area for forest 36 biomass collection surrounding an existing fixed location biomass 37 energy production site and forest products production sites;

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(d) Be consistent with report findings from the University of Washington and the department of natural resources concerning operationally and ecologically sustainable feedstocks and production processes;

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- (e) Comply with the state's existing energy efficiency goals. In selecting a site for the demonstration project, preference must be given to facilities that are already highly energy efficient or that will gain significant efficiency through the installation of a biofacility utilizing waste heat and energy.
- (2) To develop and implement the forest biomass to aviation fuel demonstration project, the department of natural resources may form forest biomass aviation fuel partnerships. These partnerships are encouraged to:
- (a) Be public-private partnerships focused on convening the entities necessary to grow, harvest, process, transport, and utilize forest biomass to generate sustainable aviation fuel;
- (b) Employ emerging technologies that emphasize efficient feedstock utilization (most energy/dry ton of product);
- Include representatives but not (C) from, limited to: Entrepreneurs or organizations developing and operating emerging forest biomass processing technologies; contractors capable of providing the local labor needed to collect, process, and transport feedstocks; tribes, federal land management agencies, county, city, and other local governments and other state agencies; workforce organizations; accredited research institutions; aviation companies; ports; existing biofuel production facilities; oil refining companies located in Washington; not-for-profit conservation organizations; private forest landowners; and forest product manufacturers.
- 29 NEW SECTION. Sec. 3. By December 2012, the department of natural resources in collaboration with the department of commerce and research 30 31 institutions, through the convening and conduct of an expert panel 32 comprised of, but not limited to, representatives from state agencies, local governments, natural resource industries, biofuel producers, oil 33 34 refiners, utilities, infrastructure providers, transportation fuel 35 markets, and environmental groups, shall provide the legislature with 36 a report detailing a strategy for developing a broad forest biomass to 37 aviation biofuel sector in the state. The report must:

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- 1 (1) Integrate forest biomass supply data being collected and report 2 findings by the University of Washington in collaboration with the 3 department of natural resources to be used to estimate potential forest 4 biomass supply and potential aviation production volumes;
  - (2) Include a fully vetted supply chain strategy for forest biomass to aviation fuel;
  - (3) Identify existing and potential sites where bioprocessing could be colocated, such as operating or closed pulp and paper installations and other existing industrial sites;
  - (4) Identify state and other public resources that can be used to accelerate the supply chain development including, but not limited to: Education and work-force training needs; transportation and utility infrastructure; and biofuels and bioproduct purchase contracts by public agencies;
- 15 (5) Identify opportunities to collaborate with other states and 16 federal agencies;
  - (6) Address and plan to ensure sustainability, leveraging existing safeguards such as the state's forest practices rules;
  - (7) Include estimates on the number of jobs retained and created through the development of a forest biomass to aviation fuel sector;
  - (8) Identify funding opportunities available for a forest biomass to aviation fuel demonstration project;
  - (9) Identify any opportunities for legislative action that could further facilitate a biomass to aviation fuel industry;
  - (10) Identify and explore linkages with the president's biofuels interagency working group. This must include:
- 27 (a) A clear description of a full supply chain opportunity in 28 Washington; and
  - (b) A request for federal funding to support this effort;
- 30 (11) Provide an update on progress toward implementation of a 31 demonstration biofacility in the state pursuant to section 2 of this 32 act.

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