CERTIFICATION OF ENROLLMENT

HOUSE BILL 2165

Chapter 163, Laws of 2009

61st Legislature 2009 Regular Session

FOREST BIOMASS ENERGY DEMONSTRATION PROJECTS

EFFECTIVE DATE: 07/26/09

Passed by the House April 18, 2009 Yeas 96 Nays 0

FRANK CHOPP

Speaker of the House of Representatives

Passed by the Senate April 7, 2009 Yeas 44 Nays 0

BRAD OWEN

President of the Senate

Approved April 22, 2009, 11:10 a.m.

CERTIFICATE

I, Barbara Baker, Chief Clerk of the House of Representatives of the State of Washington, do hereby certify that the attached is **HOUSE BILL 2165** as passed by the House of Representatives and the Senate on the dates hereon set forth.

BARBARA BAKER

Chief Clerk

FILED

April 23, 2009

CHRISTINE GREGOIRE

Governor of the State of Washington

Secretary of State State of Washington

HOUSE BILL 2165

AS AMENDED BY THE SENATE

Passed Legislature - 2009 Regular Session

State of Washington

61st Legislature

2009 Regular Session

By 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

Read first time 02/11/09. Referred to Committee on Technology, Energy & Communications.

- AN ACT Relating to authorizing the department of natural resources 1
- 2 to conduct a forest biomass energy demonstration project; amending RCW
- 3 76.06.150 and 43.30.020; adding new sections to chapter 43.30 RCW; and
- creating a new section. 4
- 5 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF WASHINGTON:
- NEW SECTION. Sec. 1. The legislature finds that forest biomass is 6
- 7 abundant and renewable byproduct of Washington's forest land
- 8 management. Forest biomass can be utilized to generate clean renewable
- 9 energy.
- 10 In some Washington forests, residual forest biomass is burned on
- site or left to decompose. The lack of forest products markets in some 11
- 12 areas means that standing forest biomass removed for forest health and
- wildfire risk reduction treatments must occur at substantial cost. 13
- 14 Utilizing forest biomass to generate energy can reduce the greenhouse
- gases emitted by burning forest biomass. 15
- The legislature further finds that the emerging forest biomass 16
- energy economy is challenged by: Not having a reliable supply of 17
- predictably priced forest biomass feedstock; shipping and processing 18

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1 costs; insufficient forest biomass processing infrastructure; and 2 feedstock demand.

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

It is the intent of the legislature to support forest biomass demonstration projects that employ promising processing technologies. The demonstration projects must emphasize public and private forest biomass feedstocks that are generated as byproducts of current forest practices. The project must reveal ways to overcome the current impediments to the developing forest biomass energy economy, and ways to realize ecologically sustainable outcomes from that development.

- NEW SECTION. Sec. 2. (1) The department may develop and implement forest biomass energy 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:
- 20 (a) Reveal the utility of Washington's public and private forest 21 biomass feedstock;
 - (b) Create green jobs and generate renewable energy;
- 23 (c) Generate revenues or improve asset values for beneficiaries of state lands and state forest lands;
 - (d) Improve forest health, reduce pollution, and restore ecological function; and
 - (e) Avoid interfering with the current working area for forest biomass collection surrounding an existing fixed location biomass energy production site.
 - (2) To develop and implement the forest biomass energy demonstration projects, the department may form forest biomass energy partnerships or cooperatives.
- 33 (3) The forest biomass energy partnerships or cooperatives are 34 encouraged to be public-private partnerships focused on convening the 35 entities necessary to grow, harvest, process, transport, and utilize 36 forest biomass to generate renewable energy. Particular focus must be

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given to recruiting and employing emerging technologies that can locally process forest biomass feedstock to create local green jobs and reduce transportation costs.

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- (4) The forest biomass energy partnerships or cooperatives may 4 5 include, but are not limited to: Entrepreneurs or organizations developing and operating emerging technology to process forest biomass; 6 7 industrial electricity producers; contractors capable of providing the local labor needed to collect, process, and transport forest biomass 8 9 feedstocks; tribes; federal land management agencies; county, city, and 10 other local governments; the department of community, trade, and economic development; state trust land managers; an organization 11 12 dedicated to protecting and strengthening the jobs, rights, and working 13 conditions of Washington's working families; accredited research 14 institution representatives; an industrial timber land manager; a small forest landowner; and a not-for-profit conservation organization. 15
- NEW SECTION. Sec. 3. By December 2010, the department shall 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:
- 21 (1) The status of the department's abilities to secure funding, 22 partners, and other resources for the forest biomass energy 23 demonstration projects;
 - (2) The status of the biomass energy demonstration projects resulting from the department's efforts;
 - (3) The status and, if applicable, additional needs of forest landowners within the demonstration project areas for estimating sustainable forest biomass yields and availability;
 - (4) Forest biomass feedstock supply and forest biomass market demand barriers, and how they can best be overcome including actions by the legislature and United States congress; and
- 32 (5) Sustainability measures that may be instituted by the state to 33 ensure that an increasing demand for forest biomass feedstocks does not 34 impair public resources or the ecological conditions of forests.
- 35 <u>NEW SECTION.</u> **Sec. 4.** For the purposes of implementing this act,

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- the department may seek grants or financing from the federal government, industry, or philanthropists.
- 3 **Sec. 5.** RCW 76.06.150 and 2004 c 218 s 2 are each amended to read 4 as follows:
 - (1) The commissioner of public lands is designated as the state of Washington's lead for all forest health issues.
 - (2) The commissioner of public lands shall strive to promote communications between the state and the federal government regarding forest land management decisions that potentially affect the health of forests in Washington and will allow the state to have an influence on the management of federally owned land in Washington. Such government-to-government cooperation is vital if the condition of the state's public and private forest lands are to be protected. These activities may include, when deemed by the commissioner to be in the best interest of the state:
- 16 (a) Representing the state's interest before all appropriate local, 17 state, and federal agencies;
 - (b) Assuming the lead state role for developing formal comments on federal forest management plans that may have an impact on the health of forests in Washington; ((and))
 - (c) Pursuing in an expedited manner any available and appropriate cooperative agreements, including cooperating agency status designation, with the United States forest service and the United States bureau of land management that allow for meaningful participation in any federal land management plans that could affect the department's strategic plan for healthy forests and effective fire prevention and suppression, including the pursuit of any options available for giving effect to the cooperative philosophy contained within the national environmental policy act of 1969 (42 U.S.C. Sec.
- 30 4331); and

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- 31 (d) Pursuing agreements with federal agencies in the service of 32 forest biomass energy partnerships and cooperatives authorized under 33 sections 2 through 4 of this act.
- 34 (3) The commissioner of public lands shall report to the chairs of 35 the appropriate standing committees of the legislature every year on 36 progress under this section, including the identification, if deemed

- 1 appropriate by the commissioner, of any needed statutory changes,
- 2 policy issues, or funding needs.

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- 3 **Sec. 6.** RCW 43.30.020 and 1965 c 8 s 43.30.020 are each amended to 4 read as follows:
- ((For-the-purpose-of-this-chapter,-except-where-a-different
 interpretation is required by the context:)) The definitions in this
 section apply throughout this chapter unless the context clearly
 requires otherwise.
 - (1) "Department" means the department of natural resources $((\dot{\tau}))$.
- 10 (2) "Board" means the board of natural resources($(\dot{\tau})$).
- 11 (3) "Administrator" means the administrator of the department of 12 natural resources((\div)).
 - (4) "Supervisor" means the supervisor of natural resources($(\dot{\tau})$).
- 14 (5) "Agency" and "state agency" means any branch, department, or unit of the state government, however designated or constituted((\div)).
 - (6) "Commissioner" means the commissioner of public lands.
- (7) "Forest biomass" means the byproducts of: Current forest 17 practices prescribed or permitted under chapter 76.09 RCW; current 18 19 <u>forest_protection_treatments_prescribed_or_permitted_under_chapter</u> 20 76.04 RCW; or the byproducts of forest health treatments prescribed or permitted under chapter 76.06 RCW. "Forest biomass" does not include 21 wood pieces that have been treated with chemical preservatives such as: 22 23 Creosote, pentachlorophenol, or copper-chrome-arsenic; wood from old growth forests, except wood removed for forest health treatments under 24 chapter 76.06 RCW and RCW 79.15.540; wood required by chapter 76.09 RCW 25
- NEW_SECTION. Sec. 7. If any provision of this act or its application to any person or circumstance is held invalid, the remainder of the act or the application of the provision to other persons or circumstances is not affected.

for large woody debris recruitment; or municipal solid waste.

NEW SECTION. Sec. 8. Sections 2 through 4 of this act are each added to chapter 43.30 RCW under the subchapter heading "duties and powers--forested lands."

Passed by the House April 18, 2009. Passed by the Senate April 7, 2009. Approved by the Governor April 22, 2009. Filed in Office of Secretary of State April 23, 2009.

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