

Rocky Mountain Restoration Initiative (RMRI)
May 19, 2020, 2:00 PM - 4:00 PM
RMRI Biomass Utilization Subcommittee
Meeting Summary - FINAL

ATTENDANCE

Participants: Nate Beckman, Angela Boag, Ken Curtis, Patt Dorsey, Cindy Dozier, Molly Pitts, Mike Preston, Tim Reader, Kelle Reynolds, Mark Shea, Nathan Van Schaik, Kirby Self, and Laura Wolf

Facilitation: Heather Bergman and Samuel Wallace

ACTION ITEMS

Mike Preston	Organize a subgroup with Molly Pitts, Tim Reader, Mark Shea, and Angela Boag to identify questions for state agencies and other partners and develop a framework for discussions about data, modeling, and plan integration.
Biomass Utilization Subcommittee	<ul style="list-style-type: none"> • Email Tim Reader with specific questions on biomass transportation costs to forward to Dr. Kurt Mackes. • Send any shovel-ready projects with a description of the project, partners involved, and funding needs to Laura Wolf.
Tim Reader	Compile a list of tools that could be designed to encourage the use of Colorado wood products and biomass.
Laura Wolf	Follow up with the US Forest Service Regional Office in California to ask questions about their challenges and successes related to the biomass energy industry.
Samuel Wallace	Separate the Biomass Utilization Subcommittee roles and responsibilities from the Workforce Capacity Subcommittee roles and responsibilities in the RMRI governance charter and distribute it to the Biomass Utilization Subcommittee for a final review.

ACTION ITEM UPDATE

Meeting participants discussed action item updates from the 4/20 Biomass Utilization Subcommittee meeting. Their comments are summarized below.

- Mike Preston, Southwest Basin Roundtable, forwarded to the Subcommittee a draft agenda for a local conference on the interconnections in the biomass energy sector. He also forwarded questions about the Colorado Energy Office-Biomass Utilization Subcommittee joint discussion.
- Ellen Roberts, Ellen Roberts Consulting, is going to join the Workforce Capacity Subcommittee on behalf of the RMRI-Southwest Colorado (RMRI-SW) partners. There will be a Workforce Capacity Subcommittee meeting on May 21.
- Tim Reader, Colorado State Forest Service (CSFS), reached out to Dr. Kurt Mackes at Colorado State University to see if there was more information available on the costs for transporting biomass. Dr. Kurt Mackes can research what data is available, but he needs specific questions to guide his research. The Biomass Utilization Subcommittee participants should email Tim Reader if they have specific questions on biomass transportation costs to forward to Dr. Kurt Mackes.
- Angela Boag, Department of Natural Resources (DNR), organized a meeting between the Biomass Utilization Subcommittee and the Colorado Energy Office. During that call, the call

participants discussed the relevant statutes related to Colorado's renewable energy standards.

- Angela Boag attempted to connect Molly Pitts, Colorado Timber Industry Association (CTIA), with someone from the Office of Just Transition. As a result of COVID-19, the new person at the Office of Just Transition has not fully stepped into their position. Molly Pitts and Tim Reader continue to reach out to identify a point of contact. Tim Reader has been able to gather information on the Office of Just Transition through their meeting notes. The Office of Just Transition seeks to train and provide job opportunities to displaced coal workers. The timber industry would seem to be a good fit for those workers.
- Laura Wolf, US Forest Service (USFS), reached out to Brian Banks, USFS South Platte District Ranger, for information on their National Environmental Policy Act (NEPA)-ready acres. The South Platte District has 15,000 NEPA-ready acres and has completed a landscape analysis on 100,000 acres. They are still gathering information on the species and size composition of the trees on those acres.
- Laura Wolf reviewed the information she had on a potential bioenergy facility in Keenesburg. The company in Keenesburg is called Plasma Development, and they are looking for 150,000 tons of wet woody biomass per year in any form for their gasification plant. They have a loan from that US Department of Agriculture that requires their biomass supply be 50% wood from forestry activities. Plasma Development was planning on obtaining a chipper and hiring a consulting forester to look at the supply chain. They were interested in obtaining their supply from the Medicine Bow-Routt National Forests.
- Laura Wolf also reviewed the information she had on a potential biomass facility in Longmont. That facility is looking for 100,000 tons of woody material per year. The facility operators were looking at the Arapaho & Roosevelt National Forests for the wood supply because transporting wood from there represented the lowest transportation costs. However, they were only going to be able to fill 50% of their supply needs from the Arapaho & Roosevelt National Forests.
- Laura Wolf reached out to USFS staff in Region 5, which encompasses all of California, and asked if they could talk about what policies have worked in California to incentivize the growth of the biomass industry. Region 5 USFS staff are interested in talking with the Biomass Utilization Subcommittee, but the Subcommittee will need to come up with more specific questions before that conversation. The evolution of biomass energy policy in California has shifted, and the industry in California is looking to build smaller biomass facilities (<10-megawatt power production). Some of the obstacles to biomass energy in California include contract agreements and the limitation of the power grid to only accept a certain amount of energy at a time. There is publicly accessible information that can explain why the industry in California has turned to constructing smaller biomass facilities.
- There is [a website](#) that has an inventory of biomass energy policies across the United States.
- The USFS was asked to come up with a list of shovel-ready projects on National Forest, state, or private lands in case stimulus funding becomes available. It is uncertain if and how much funding will become available. The request for shovel-ready projects is informal at this time, but there will likely be a more formal process in the future. Biomass Utilization Subcommittee members should send any shovel-ready projects with a description of the project, partners involved, and funding needs to Laura Wolf.

UPPER SOUTH PLATTE ORIENTATION DISCUSSION

Meeting participants discussed what information related to biomass and workforce capacity they want to hear during the RMRI Upper South Platte orientation on June 23. Their comments are summarized below.

- The Upper South Platte Partnership (USPP) should outline a strategy on how they plan to engage with the local industry and be as specific as possible. There are lessons to be learned from the Arizona Four Forest Restoration Initiative (4FRI). Partners in 4FRI did not think through how to engage local industry at the beginning of their process, which later slowed down their efforts.
- The Upper South Platte proposal included many assessments, which increased the cost of treatments. It would be helpful for the USPP to identify its overall priorities now that there is less funding available.
- The Upper South Platte does not have good infrastructure for industry. In that area, there needs to be ways to move large-diameter trees before they consider how to move biomass.
- The USPP should consider identifying if there is any county or industrial land for a business to locate. The USPP could consider reaching out to their local Economic Development District to ask questions about ways to promote new businesses, such as policies for land acquisition for new businesses.
- The USPP is composed of many different groups. It would be helpful to know each of their commitments on an annual basis.
- The USPP should break down their overall needs into smaller categories. The capacity of partners to help has diminished as a result of COVID-19, but their interest has not. Having near-term tasks or asks can help focus the discussion on ways partners can assist the USPP.

BIOMASS UTILIZATION SUBCOMMITTEE-COLORADO ENERGY OFFICE DISCUSSION

Meeting participants discussed the joint call between the Biomass Utilization Subcommittee and the Colorado Energy Office (CEO). Their comments are summarized below.

- Overall, the CEO seemed interested in learning more about biomass.
- One takeaway from the call is that there is a lot of work left to do. There is an urgency to figure out how to factor forestry into carbon planning as wildfire risks become more urgent. The Subcommittee should consider how the CSFS Forest Action Plan and the Greenhouse Gas (GHG) Roadmap and other carbon planning efforts can fit together.
- When evaluating different energy sources, it is important to look at the full range of benefits. Biomass energy produces a variety of benefits (e.g., benefits to watershed health) that need to be factored into the modeling along with energy production. The Biomass Utilization Subcommittee should begin to gather resources far in advance of the next modeling effort.
- Biomass energy is a cheap way to utilize biomass because the transportation costs are low.
- Opportunities to promote biomass energy in Colorado exist. In Western Colorado, there is a nuclear power plant that is shutting down, but the grid is still there. This opening creates local opportunities to develop biomass energy that can be plugged into the grid.
- One data need is to study the carbon impacts of avoiding wildfire and burning piles.
- Policy incentives are an important factor in the biomass energy sector. Under current Colorado law, biomass energy has a 1:1 tax credit in comparison to solar and wind energy, which receives a 3:1 tax credit. Federal tax credits also favor wind and solar energy over biomass energy. There has been legislation in Colorado in the past that would have given biomass energy a 3:1 tax credit if the biomass material came from high fire risk areas. The legislation failed in part because there are strong wind and solar lobbies. Until there is a Forest Carbon Plan that outlines the benefits of biomass utilization, it will be difficult to pass this type of legislation.
- Biomass energy can act as a continuous source of green power when there are gaps in energy production from other energy sources, like wind and solar. Biomass energy can be

used as a supplemental energy source and should be promoted that way to prevent the wind and solar energy lobby from mobilizing against biomass energy.

STATEWIDE PLANS AND INITIATIVES DISCUSSION

Meeting participants discussed other planning efforts and initiatives across the state and how biomass can fit into those other plans. Their comments are summarized below.

- The CSFS is in the process of completing the Forest Action Plan. The Plan includes a carbon section, but it is not extensive as it needs to be. There will need to be an effort to integrate the Forest Action Plan with other planning efforts. There is also a need to develop continuity in modeling and data efforts among the various state agencies.
- The mapping and modeling of the Forest Action Plan are already in advanced stages. Still, there may be an opportunity to frame the need for carbon-based forest planning into the Plan to call for future investigations.
- There is interest in carbon-based forest planning, and there are people, like Mike Smith from RenewWest, who have expertise in carbon planning and financing.
- The Colorado Water Conservation Board (CWCB) is updating the Colorado Water Plan and the Basin Implementation Plans (BIPs). They want to include forest health into the updates, so there may be a role for CWCB moving forward in carbon-based forest planning. The Colorado Forest & Water Alliance (COFWA) is writing an advocacy piece to include forest and watershed health in the BIPs. The basin roundtables are also interested in updating their BIPs to have better information on the risk of unhealthy forests on water resources and key infrastructure. The CWCB is organizing a panel on the forest-water nexus.
- The Biomass Utilization Subcommittee should consider what resources are going to be needed to elevate the carbon planning issue. Any activities that the Biomass Utilization Subcommittee pursues need to be relevant and useful to agencies, like the CSFS, CEO, and CWCB.
- It would be helpful to gather thoughts from utility providers and other partners on how statewide carbon planning factors into their decision-making. It is difficult for energy providers to dedicate time to discuss biomass energy because they are focused on reaching the goal of 80% renewable energy by 2030. It may be better to start with policy changes rather than approaching energy providers.
- DNR is developing a Shared Stewardship Strategy. The Colorado Water Plan, Forest Action Plan, and Shared Stewardship could connect to create a broader conversation about how forests are managed in Colorado. There may be an opportunity to bring the carbon planning and biomass energy discussion into the Shared Stewardship agenda. Tim Mauck, DNR, could engage in the discussion to share information on Shared Stewardship and how to bring together agencies to discuss biomass and carbon. Shared Stewardship might not be the best initiative to address biomass issues. Shared Stewardship efforts are focused on changing the culture of state agencies, institutionalizing cross-boundary restoration work, and identifying state priorities. The USFS and DNR are engaging in a joint mapping effort to identify statewide priorities.
- The Biomass Utilization Subcommittee identified the need for a biomass energy workshop. Before they organize that workshop, there needs to be a set of side discussions with state agencies and other potential partners. The Subcommittee should consider how they can fit into the programmatic structures and planning efforts of state agencies. A strategy may be to frame the need for carbon-based planning into each of the respective state agency plans.
- There needs to be a strategy, structure, and framework to begin to discuss carbon-based forest planning. If the Subcommittee can develop a framework for the discussions, they could reach out to agencies to discuss how to integrate carbon planning into their modeling

and explore the forest-water-carbon nexus. There may be an opportunity to engage with the CSFS, CWCB, and CEO to discuss their ongoing planning efforts and how to integrate their data. Many agencies, including the USFS and CSFS, recognize the importance of biomass.

- A framework could identify the currently available information, the questions that still need to be investigated, the gaps in information, and the strategy to fill those gaps. A broad framework could help agencies and partners identify their role in advancing biomass utilization.
- People from other states where the biomass energy industry is more robust could share their challenges and successes related to incentivizing the biomass industry. Laura Wolf can follow up with the US Forest Service Regional Office in California to ask questions about their challenges and successes related to the biomass energy industry.
- Scientists should be involved in a discussion about integrating modeling and data efforts. The Subcommittee could convene a panel of scientists to discuss data and modeling.
- Recreation, water, communities, and forest health are the four values of RMRI. It will take partners from all sectors, including the water community, to move biomass utilization efforts forward. Solutions for biomass utilization issues are going to involve finding a use for the material, finding value through carbon markets, and interacting with other sectors in novel ways.
- Mike Preston will organize a subgroup with Molly Pitts, Tim Reader, Mark Shea, and Angela Boag to identify questions for state agencies and other partners and develop a framework for discussions about data, modeling, and plan integration.

OTHER BIOMASS PRODUCTS DISCUSSION

Meeting participants discussed other biomass products beyond biomass energy. Their comments are summarized below.

- Utilizing biomass to reduce treatment costs is a particular challenge in the wildland-urban interface (WUI). There are other alternatives for biomass other than biomass energy.
- Small-diameter material can be made into pellets, biochar, and cross-laminated timber. It is important to look at a variety of different products for biomass utilization, especially when there is not a large industry presence in an area.
- The conversation about identifying products for biomass use needs to focus on what products will sell. There is some market research on what products will sell. For example, pellet producers in Colorado have not fared well historically. Near-term tasks for the Subcommittee could be to find ways to expand the existing industry and reduce the risks of investing in the biomass industry. One way to gather information is to ask industry how the Biomass Utilization Subcommittee can help them sell their products.
- The Biomass Utilization could help find markets for some material. For example, the Colorado Department of Transportation (CDOT) could potentially use wood straw in road construction, and the Natural Resource Conservation Service (NRCS) could use wood straw for erosion control. There could be a conversation with agencies to consider ways to promote the use of Colorado wood products in their operations. Additionally, private businesses, like breweries, could use Colorado wood products for their pallets to ship. Businesses in Colorado, like Pueblo Wood Works, create wood products, like pallets.
- The CSFS has a [product promotional database](#) to inform consumers about the benefits of buying wood from Colorado producers. Most of the wood used in the state is imported. As a part of this campaign, the CSFS ran commercials. There was also legislation to create a tax incentive for Coloradoans that use beetle kill wood products, but the legislation failed. The CSFS runs the Colorado wood products promotional program under the umbrella of the

Colorado Proud program. The biggest obstacle to promoting Colorado wood products is that the CSFS does not have the funding or staffing capacity to promote the campaign.

- The work of the Biomass Utilization Subcommittee may overlap with the work of the Social License Subcommittee and Communications Subcommittee. The Social License Subcommittee and Communications Subcommittee could potentially create messaging around using Colorado wood products. The Biomass Utilization Subcommittee could consider asking these subcommittee for messages to help promote Colorado wood products.
- There should be policy incentives for using Colorado products. The Subcommittee should think about legislation that encourages or requires state agencies to use a certain percentage of Colorado wood products as a part of their daily operations. The Biomass Utilization Subcommittee could potentially talk to legislators to get traction on this type of legislation. With reduced budgets as a result of COVID-19, it will be difficult to push bills forward that increase costs for state agencies. There is current legislation going through the Colorado legislature to reduce the carbon intensity of state building materials, which may potentially incentivize using wood products over products like concrete.
- A comparative cost analysis of using different materials could be helpful. A comparative cost analysis should incorporate the other benefits associated with purchasing in-state wood products, such as local economic development and benefits from forestry treatments.
- There are other types of tools that could help promote Colorado wood products and biomass. For example, an app could be designed to help builders understand the costs and benefits of using Colorado wood products in their buildings. Tim Reader can compile a list of other tools that could be designed to encourage the use of Colorado biomass.

GOVERNANCE CHARTER DISCUSSION

Meeting participants discussed the roles and responsibilities of the Biomass Utilization Subcommittee in the RMRI governance charter. The Biomass Utilization Subcommittee's roles and responsibilities should be separated from the Workforce Capacity Subcommittee. Samuel Wallace will separate the Biomass Utilization Subcommittee roles and responsibilities from the Workforce Capacity Subcommittee roles and responsibilities and distribute it to the Biomass Utilization Subcommittee for a final review.

NEXT STEPS

The next meeting for the Biomass Utilization Subcommittee will be on the afternoon of June 16.