

## Biomass Energy

Wood processing mills in the United States, much like other domestic manufacturers, face stiff international competition from countries that have lower labor and supply costs as well as far fewer environmental standards. As a result, domestic manufacturers have developed state of the art and highly efficient mills to compete. They have also been utilizing wood residuals from the field and the milling process to feed boilers that convert woody biomass into energy. The energy is then sold on the grid or used to fuel the mill (and many times both). This is a reliable and constant source of energy that can be used 24 hours a day to produce renewable energy.

Unfortunately, there have been unnecessary setbacks in the potential of biomass energy. Renewable biomass energy receives half the tax credit of wind energy, which has resulted in many utilities preferring to buy lower cost wind energy to fulfill renewable portfolio standards. Biomass energy producers are then left to compete with energy produced by conventional sources such as coal, oil and natural gas. This has served as a disincentive to many would-be biomass energy producers. For example, in California biomass power facilities are struggling to stay in business and some have closed their doors. The government should promote renewable energy through tax credits, but it should also ensure a level playing field for all renewable sources.

There have also been attempts to limit the type of biomass that may be used for renewable fuel or energy. Most recently, misguided efforts to protect “sustainability” have resulted in an unworkable situation for biomass power producers. For example, the 2007 energy bill included a Renewable Fuels Standard (RFS) with a biomass definition that would prohibit woody biomass from public and most likely private lands from being used towards this mandate. The 110<sup>th</sup> Congress conducted several oversight hearings on how to fix this problem, but it is uncertain whether or not it will be corrected and whether or not any correction will be timely.

America has millions of acres of overstocked public forests in need of thinning to reduce the threat of catastrophic wildfire, insects and disease. Because woody biomass has little to no merchantable value, it is generally expensive to remove on its own. If, however, biomass is removed in conjunction with commercial thinning, the work can be paid for by the value of the timber removed. This improves the health of the forest while also helping to supply biomass for energy and reduce the cost of fuels reduction projects.

### Recommendations:

- 1) Assure that renewable energy policy initiatives do not favor one source over another or create perverse incentives for purchasers to do so, including the RFS definition of renewable biomass.
- 2) Direct federal land management agencies to recognize the interdependence of new and established infrastructure users of federal forest outputs.

*The American Forest Resource Association (AFRC), headquartered in Portland, Oregon, represents nearly 80 forest products businesses and forest landowners in twelve states, primarily in Washington, Oregon, California, Idaho and Montana. Its mission is to create a favorable operating environment for the forest products industry, ensure a reliable timber supply from public and private lands, and promote sustainable management of forests by improving federal laws, regulations, policies and decisions that determine or influence the management of all lands. For information, call 503-222-9505.*