



Western Forestry Leadership Coalition Issue Brief:

WGA's Biomass Energy Report: Up to 15,000 MW of Electricity by 2015

January 24, 2006

Summary:

The Clean and Diversified Energy Advisory Committee, commissioned by the Western Governors' Association, has released a series of Task Force Reports intended to outline renewable energy contributions in the West. The reports describe potential increases in the use of advanced coal, biomass, energy efficiency, geothermal, and solar energy technologies. Of particular note, the Biomass Task Force concludes that biomass has the potential to supply 15,000 MW of electricity to the Western states by the year 2015. According to the report, 50% of the biomass available for power generation comes from forest resources.

Background:

The Western Governors' Association passed a Policy Resolution in June, 2004 calling for a *Clean and Diversified Energy Initiative for the West*. That document heralds the potential for renewable energy development in the West, and enumerates the benefits of increased use of solar, wind, geothermal, biomass, clean coal technologies, and advanced natural gas technologies. Western Governors agreed to emphasize incentive-based, non-mandatory approaches that would help states achieve the following goals:

- Develop 30,000 MW of clean energy in the West by 2015;
- Increase the efficiency of energy use by 20% by 2020;
- Evaluate and assess promising new resources and technologies;
- Determine overall research adequacy and deliverability in the West.

Following this resolution, the WGA formed a Clean and Diversified Energy Advisory Committee (CDEAC), comprised of stakeholders from diverse backgrounds, to tackle these challenges. The CDEAC is co-chaired by William J. Keese, former Chairman of the California Energy Commission, and Bill Real, Senior Vice President of Public Service Company of New Mexico. Nine task forces were chartered by the CDEAC to research specific issues and report back to the Governors. Reports on advanced coal, biomass, energy efficiency, geothermal and solar were released in early January of this year.

Current Issues: Biomass

The Biomass Task Force conducted an extensive analysis of supply at the production cost of 8 cents / kWh, and concludes that 10,000 MW of produced electricity would be available by 2015 at that price. Half of that total potentially comes from forest resources, with the rest divided between urban and agricultural sources of biomass. Several benefits of expanded biomass energy are described in the report, including improved forest health and reduced fire risk.

Social and economic benefits are not captured by commercial price structures, and this is cited as the key problem toward full realization of biomass energy. Additionally, air quality standards and permitting requirements are noted as challenges. The Task Force

offers ten recommendations to overcome barriers to expanded biomass energy production:

1. Achieve tax parity among renewable technologies;
2. Strengthen Federal land management policies to allow larger, longer-term restoration projects;
3. Environmental benefits of biomass should be paid for by beneficiaries;
4. Demonstrate government leadership by purchasing power / RECs from biomass projects and by supporting biomass research and development;
5. Recognize the value of “firm capacity” in renewable purchase programs, as biomass can provide for more constant energy at established prices than other, more intermittent, sources;
6. Renewable energy credits should not include ancillary environmental benefits, but focus solely on benefits that result directly from the displacement of a like amount of fossil fueled generation;
7. Establish a single definition for biomass;
8. Revise utility interconnection policies allowing for easier connection of biomass;
9. Provide long-term certainty for biomass programs;
10. Consider fuel-based emissions when issuing air quality permits for polluters.

Next Steps:

The CDEAC will hold its final meeting on March 7, 2006 in Denver. The Committee will then work to compile recommendations from all of its task forces into a final report for the Governors. WGA will consider recommendations from the CDEAC at its annual meeting in June, 2006 in Sedona, AZ.

Even if all the biomass task force recommendations are not adopted by WGA come this summer, there are many recommendations the WFLC should consider carrying and acting upon in the coming months and years.

Contact Information:

For more information about the CDEAC or the WGA’s track record on renewable energy policy, visit www.westgov.org.

For more information about the biomass task force, contact:

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