

Advancing Biomass Thermal in the Midwest: Lessons Learned from the Northeastern Experience



**Eau Claire WI
April 26, 2012**

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First, Congratulations!

- **About the Northeast**
- **Recent efforts to organize to advance biomass thermal (2005->)**
- **Where we are today as an industry and “movement”**
- **Lessons learned: what can biomass thermal advocates in the Midwest learn from our experience**



← Jaffrey, NH and BES

Capacity 85,000 tons



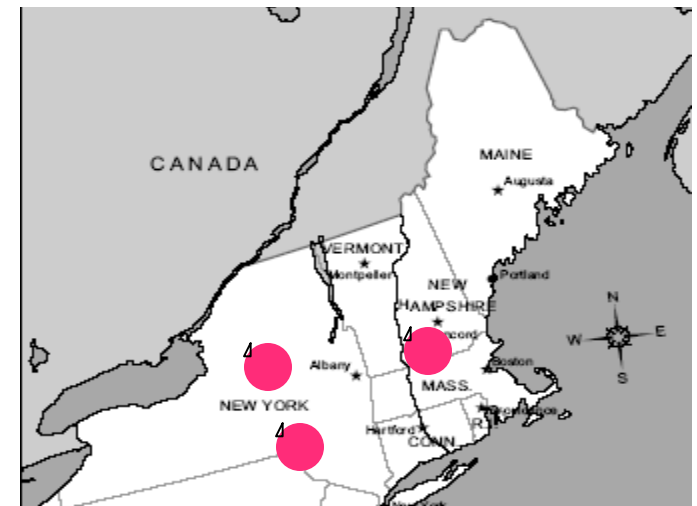
Schuyler, NY

Capacity 85,000 tons



Deposit, NY

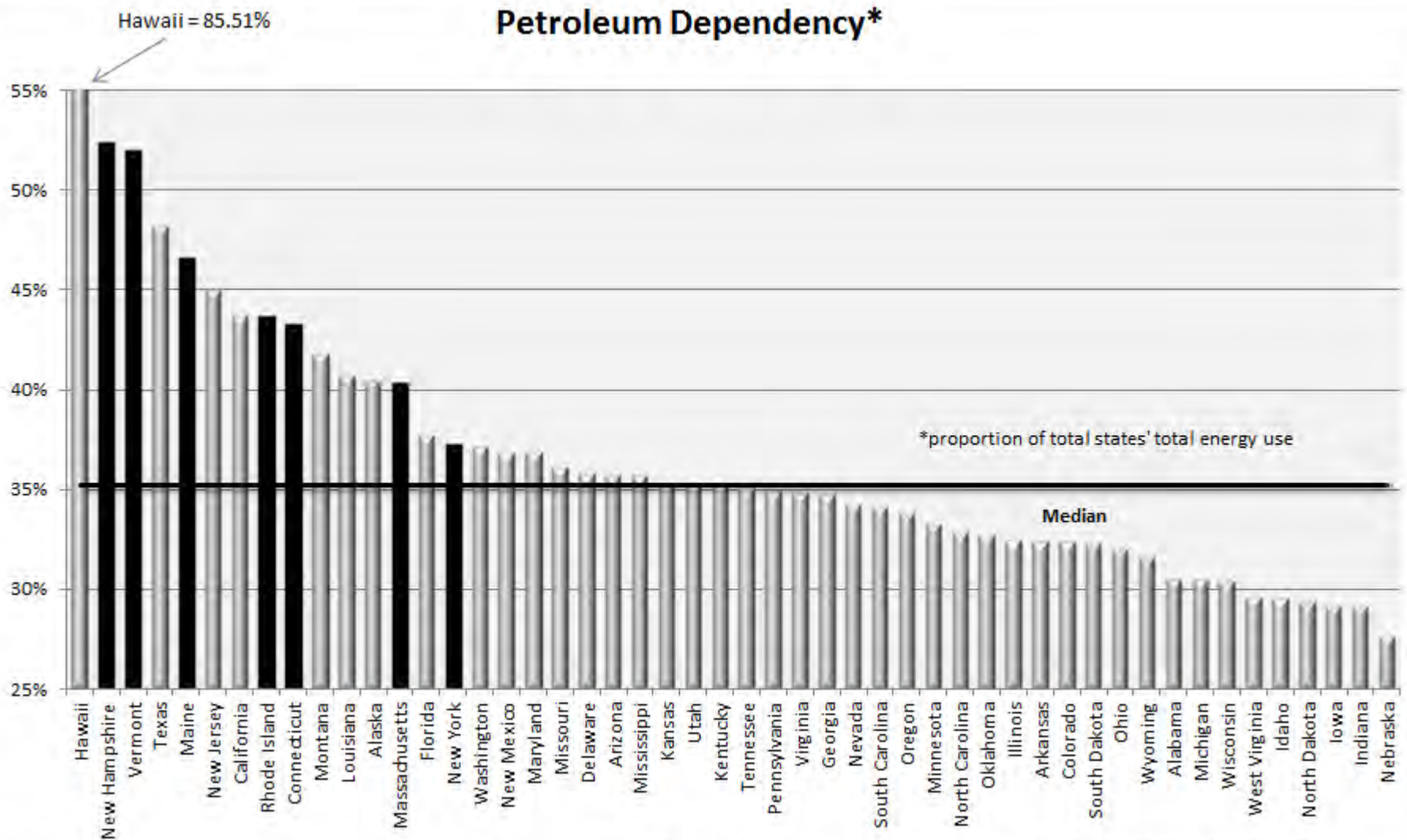
Capacity 85,000 tons



About the Northeast

- Abundant, underutilized forest and agricultural resources
- Highest energy prices of anywhere in US
- Huge thermal (heat) market, currently largely dependent on fossil energy (oil, propane, natural gas) – 40% of total energy consumption in the region
- Long tradition of using wood as fuel; aging demographics favor more convenience in burning wood
- Population and demand density that enhances potential for bulk pellet and chip fuel distribution
- Generally favorable policy climate

The NE states, due to a reliance on heating oil, are very dependent on petroleum.



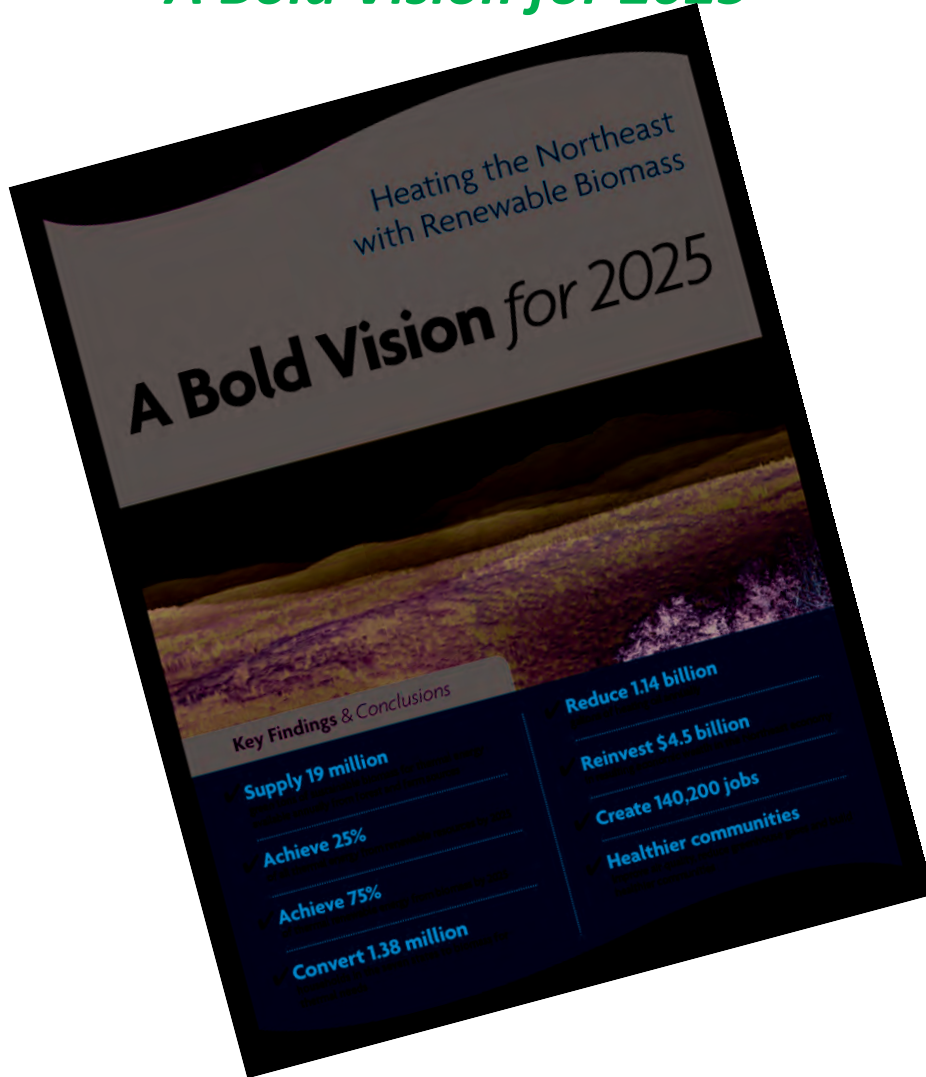
2005-2008

- **2005 - Demand for biomass heating fuels spikes following hurricanes**
- **2005 – Federal Energy Policy Act**
- **2005-2008 – states adopt RPS programs**
- **2007 – Federal Energy Independence and Security Act (RFS)**
- **2008 – Rapid run-up in oil, natural gas prices**
- **Fall, 2008 – election of Barack Obama and expectation that renewable energy/climate change would get increased attention**

2008 – “Train is Leaving the Station” and biomass thermal isn’t on it

- March 2009 – Biomass Thermal Energy Council Organized
- May 2009 – 1st “Heating the Northeast with Renewable Biomass” conference held
- Spring 2009 – American Renewable Biomass Heating Acts introduced in House and Senate
- Spring 2010 – 2nd conference and release of 2025 Vision

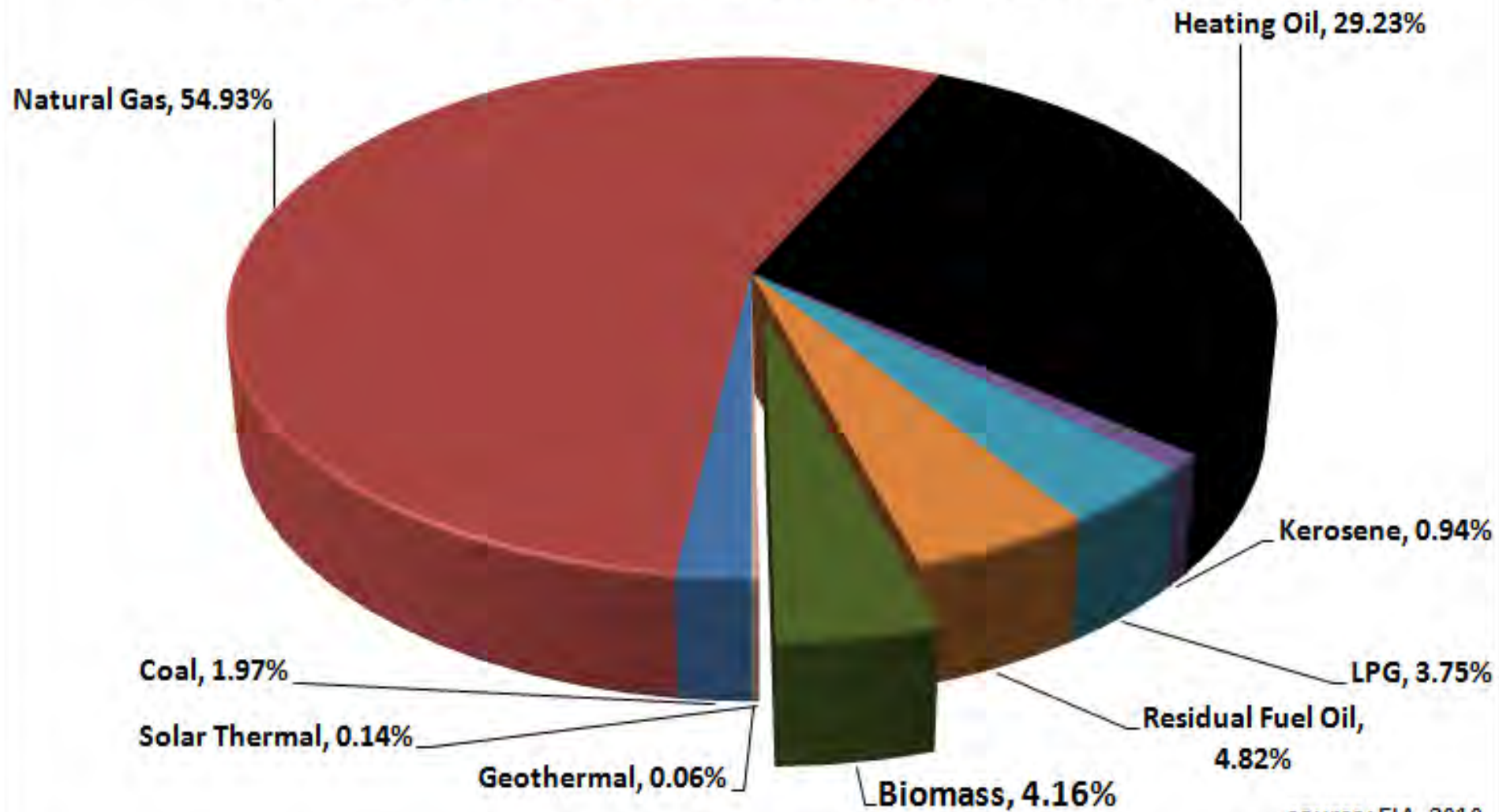
Heating the Northeast with Renewable Biomass: *A Bold Vision for 2025*



- An American Revolution in thermal renewable energy, to start in the Northeast
- 25% of all thermal energy in Northeast from renewable energy by 2025
- 75% of renewable thermal energy from sustainably-sourced forest and agricultural biomass by 2025 (balance from solar thermal and geothermal)

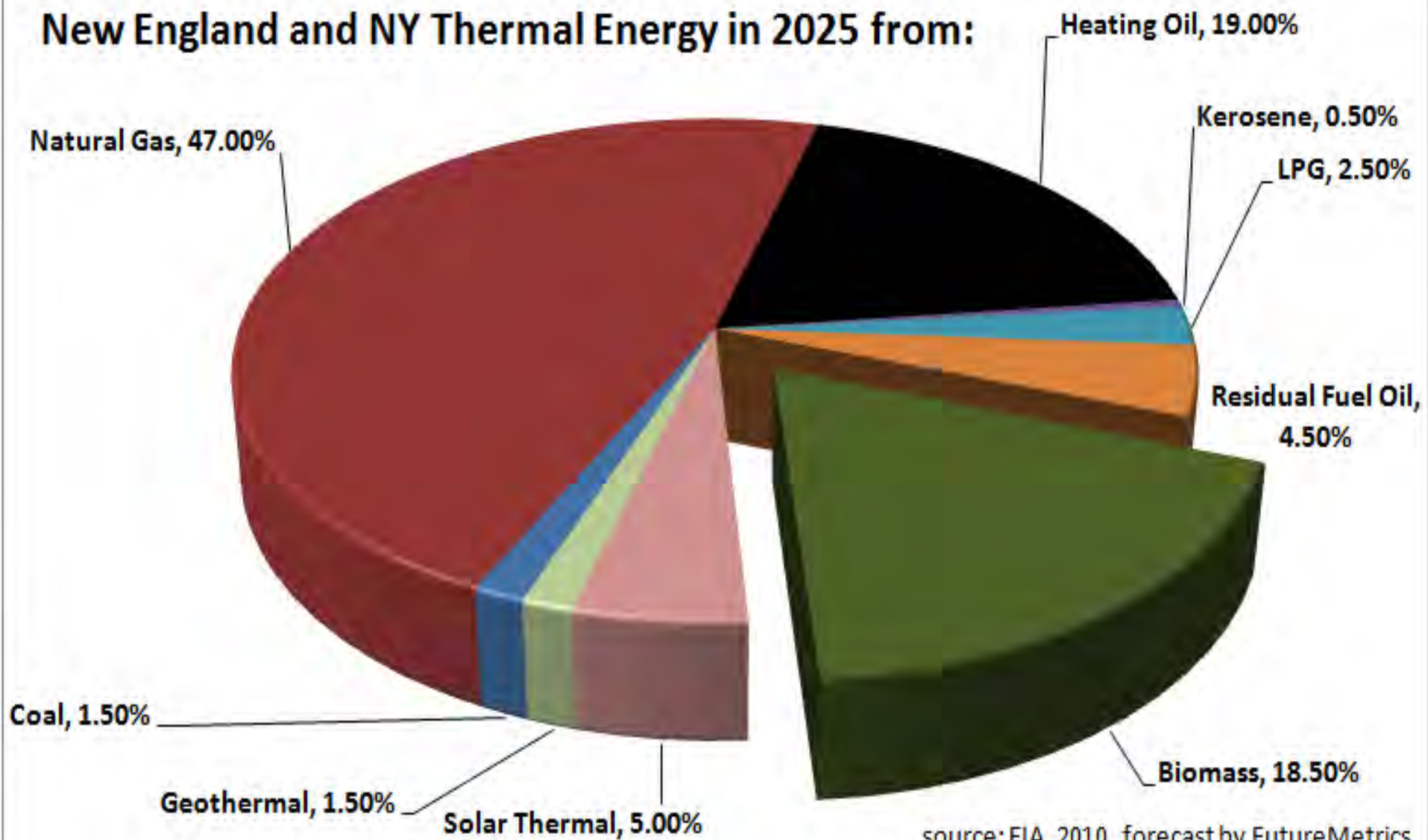
www.nebioheat.org/vision

New England and NY Thermal Energy is Currently from:



source: EIA, 2010

New England and NY Thermal Energy in 2025 from:



source: EIA, 2010, forecast by FutureMetrics

Potential Economic Benefits

- ▶ Conversion to biomass thermal will **displace over 1.14 billion gallons of oil annually by 2025**. This represents over 20% of all heating oil consumed in the Northeast, **making our region more secure**
- ▶ Conversion of 1.39 million homes and businesses will enable the **retention of more than \$1.6 billion in annual income in our economy** instead of exporting to other economies
- ▶ By 2025, the Northeast would have more than **\$4.5 billion new dollars per year injected into the regional economy**
- ▶ This retention of wealth and expansion of the biomass thermal industry will result in retention/creation of **140,200 permanent jobs**

2010 – Formation of Northeast Biomass Thermal Working Group

- Informal, representation from nine states
- No dues!! **Join BTEC!**
- Hired TTC to provide admin support
- Website: www.nebioheat.org
- Database of supporters: now 1,400
- Identification of policy, regulatory and outreach objectives across region
- Close relationship with BTEC and state associations in NY, PA, ME

2011 – Call to Action

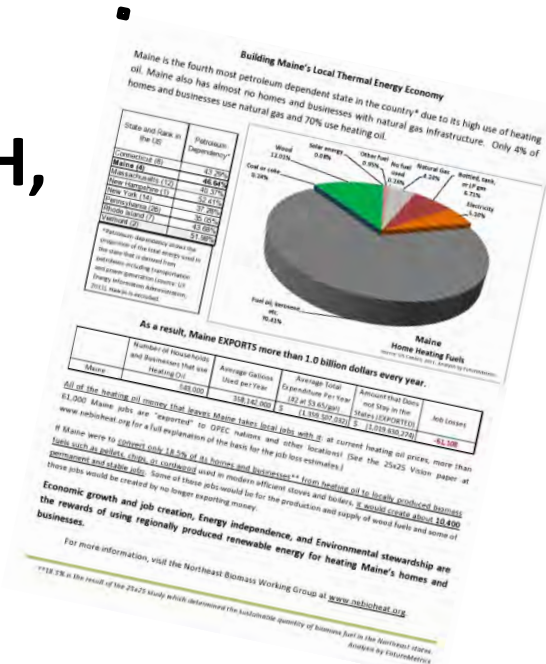
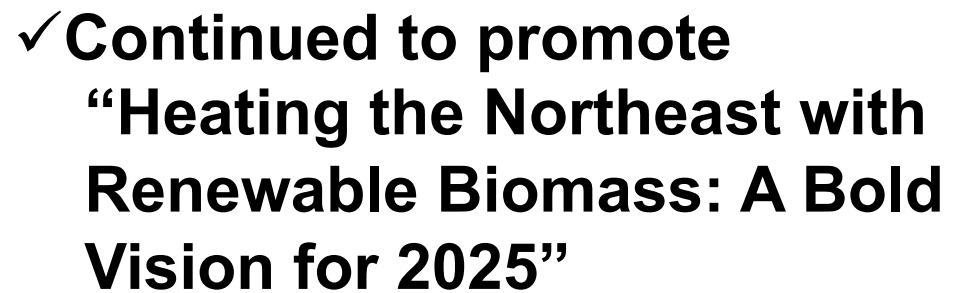
- Issued a regional policy and regulatory reform agenda to over 200 elected and appointed officials in eight states and Washington
- Signed by 440 business, organization and agency leaders
- Issued alerts on key state policy issues and to influence USDA advanced biofuels strategy
- Ensured strong northeast representation at 1st DC Biomass Thermal Summit (November)

2011 Activities - Standards

- ✓ Initiated a working group to develop a bulk wood pellet delivery and storage standard, to ensure technically competent and safe operating procedures as this sector grows.



- ✓ Issued state-specific biomass heating fact sheets for ME, NH, VT, MA, CT, RI, NY and PA



2011 Activities – Education/Outreach

- ✓ **‘Biomass Thermal Pavilion’ at the Boston BE12 Expo**
- ✓ **Program guidance for the 4th Annual Northeast Biomass Heating Expo**
- ✓ **Supported biomass heating policy in NY and ME with \$1K grants**
- ✓ **Provided a \$2.5K grant to the “Heating the Midwest with Renewable Biomass”**
- ✓ **Expanded NEBTWG website resource library – on website**
- ✓ **Developed a regional media key contacts database**

Funding

Total 2011 funds raised	\$40,929
Total 2011 expenditures	\$31,067
Balance carry forward to 2012	\$ 9,862

Sources of Funds:

- ✓ **2011 Heating the Northeast with Renewable Biomass Conference**
- ✓ **John Merck Fund (through BERC)**
- ✓ **West Penn Power Sustainable Energy Fund**

Plans for 2012

- ✓ Support state biomass thermal policy initiatives, e.g. RPS reforms (action alerts, grassroots advocacy)
- ✓ Support state energy planning efforts (e.g. NY Biomass Thermal Roadmap)
- ✓ Ensure strong and coordinated NE regional voice on state/national emissions regulations
- ✓ Identify regulatory barriers across region and develop strategies to overcome (task force?)
- ✓ Organize more effective industry presence at trade shows, public meetings and legislative hearings
- ✓ Complete and promote bulk pellet delivery and storage standard
- ✓ Plan for 5th NE Biomass Heating Expo (Saratoga NY)
- ✓ Other?

Where are we today in Northeast?

- On the cusp of major policy advances in NH, VT (RPS)
- \$350,000 NYSERDA investment in biomass thermal roadmap for NY
- MA – significant incentives anticipated in 2012-2013
- Key regulatory barriers overcome
- RGGI funds used to support biomass thermal projects in 3 states
- At least 100 significant projects in last two years, many with ARRA funding
- Expanding partnership with USDA
- Growing **VALIDATION** by policymakers that biomass thermal an important part of northeast energy future

Lessons Learned

- **Develop a Vision**; promote it
- **Develop strategic priorities**; pick a small number and start working to address
- **Get some small victories under your belt** early to keep people engaged
- **Publicize your successes**, even the little ones!
- **Build a database of key contacts**; keep them aware of what you are doing
- **Be opportunistic**; create a way to respond quickly
- **Stay connected** to allies around the country

Join BTEC

- **Our industry needs a strong national trade organization**
- Numbers talk: lots of members carry weight
- It takes members and their money to build it
- Too few members are shouldering too much of the burden
- BTEC is doing good work on a shoestring!



▪ www.biomassthermal.org

A Possible Structure for a Strong National Biomass Thermal Industry Association

National Affiliate

501c6

Provide fiscal and administrative oversight for conferences



Regional Affiliates

Not incorporated
Provide content oversight for conferences

Northeast
Biomass Thermal
Working Group

Midwest
Biomass Thermal
Working Group

Regional Affiliate Fiscal Agent

501C3



Regional Conferences

A program of BTEC



You can't do this with oil



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