

# Heating the Midwest with Renewable Biomass Initiative

## Joint Action Team Monthly Call Minutes

(Biomass Resources & Demographics, Biomass Policy & Benefits, & Biomass Combustion Technologies)

Tuesday, March 20, 2018 – 1:30 p.m. (CST)

**PURPOSE:** To advance the goals and planning activities of the Midwest Biomass Resources & Demographics Action Team and the overarching *Heating the Midwest (HTM) with Renewable Biomass Initiative* (HTM), specifically as it relates to the annual conferences and growing the biomass for thermal market opportunities.

**FACILITATOR:** Bruno Zagar, Fond du Lac Band of Lake Superior Chippewa / HTM Steering and Executive Committee Member

**CALL PARTICIPANTS:** Brent Bailey, 25x'25 Alliance (MD); Stacy Cook, Koda Energy LLC (MN); Kevin Hennessy, Minnesota Department of Agriculture; Mark Knaebe, USDA Forest Service, Forest Products Lab (WI); Gregg Mast, Clean Energy Economy Minnesota; Mike Marsollek, Koda Energy LLC (MN); Becky Philipp, Agricultural Utilization Research Institute (MN); Scott Sanford, University of Wisconsin-Madison Extension; and Wade Semeliss, Potlatch Corporation (MN); and Bruno Zagar, Fond du Lac Band of Lake Superior Chippewa (MN)

### MEETING AGENDA

- I. Welcome/Roll Call
- II. Review of the Minutes / Action Items
- III. HTM Steering Committee
  - A. 2018 HTM Conference Planning
  - B. Activities Update
- IV. Biomass Policy & Benefits Action Team Discussion
- V. Biomass Combustion Technologies Action Team Discussion
- VI. Biomass Resources & Demographics Action Team Discussion
- VII. Current Happenings / Needs of the Industry
- VIII. DEMONSTRATION: Midwest Biomass Exchange Database
- IX. Next Conference Call
  - A. Tuesday, April 17 at 1:30 p.m. (CST)

**CONVENE:** The call convened at 1:30 p.m. (CST)

### I. WELCOME/ROLL CALL

Bruno Zagar welcomed members to the call. Roll call was taken.

### II. REVIEW OF MINUTES/ACTION ITEMS

The minutes were reviewed for the joint action team call on February 20, 2018. There were no changes noted. A motion was made by Gregg Mast to approve the minutes as provided; Stacy Cook seconded; and the motion carried.

Becky reported that all action items were completed from the previous call.

### III. HTM STEERING COMMITTEE UPDATE

Becky Philipp reported the last call of the HTM Steering Committee was held on March 8, 2018. The next call is scheduled for April 17, 2018. A summary of the March call highlights follows:

#### 2018 HTM Conference Planning

- Work is underway on the 2018 HTM Conference planning. The conference is scheduled for May 1-3 at the Black Bear Resort Casino in Carlton, MN. Becky sent out information to the team prior to the call to help in promoting the event. She asked members to link the HTM conference page to their respective websites and include in external newsletters. Potential sponsors can also be directed to the links in the information provided. Bruno added the tour continues to be worked up and site locations confirmed. Bruno reviewed the sites proposed.

#### Activities Update

- HTM Operating Plan is approved. It will be either distributed or posted to HTM's website.
- Work is underway to fill five vacant steering committee seats and two action team chairs. Members were asked to think of individuals who may be a fit and have an interest. Contact information can be shared with a steering committee member for follow-up.
- The Midwest Biomass Exchange project contract extension to April 30, 2018 was approved by the steering committee.
- The March HTM Newsletter will be distributed March 21, 2018. Please take a moment to review.
- The April HTM Newsletter items are due to Kelsey Loeffler by Wednesday, April 18, 2018.

### IV. BIOMASS POLICY & BENEFITS ACTION TEAM DISCUSSION

Gregg Mast, chair of the Biomass Policy & Benefits Action Team, provided an update on the following policy-related items:

- Minnesota House File 917/Companion Bill SF728 – CEEM, along with industry folks, has been working on this bill related to the Minnesota Refundable Tax Credit. A committee hearing in the House was held March 6. The bill provides for a 33% refundable tax credit on the purchase of a qualifying high efficiency residential biomass heating system up to a maximum of \$5,000 (33% of the purchase price up to \$5,000). If the bill is passed, it would be available for purchases starting January 2019 through December 2023. The companion bill was heard in the Senate Tax Committee last session and passed out of that committee. It is moving to the House Tax Committee. He encouraged support from the industry, noting there are good supporters of the Bill currently and receiving a hearing was a big step.
- The Legislature and the Public Utilities Commission(PUC) decisions regarding Benson Power and Laurentian Energy Authority (LEA) in northern Minnesota. The PUC decided to allow Xcel Energy to purchase Benson Power facility and close it. The LEA will be likely be converted to natural gas. According to Scott Dane of the Associate Contract Loggers and Truckers, a bill is coming forward to the Senate to provide compensation for lost business opportunities for biomass supply chain companies. The bill was heard last week in the Energy Committee of the Senate. It provides for a means for compensating businesses filing for losses up to \$40 million in aggregate. The bill was approved and past out of committee by the Senate and past to Judiciary and Public Safety Finance and Policy Committee. There was no House companion bill at the time of the call.
- National policy update:
  - The BTU Act was not included in legislation passed last year. The Biomass Thermal Energy Council (BTEC) and others continue to work on a reauthorization as there are opportunities to include other bills at the federal level. Work is underway to assemble industry voices.
  - Work continues to secure funding for the Community Wood Energy Program.

## **V. BIOMASS COMBUSTION TECHNOLOGIES (BCT) ACTION TEAM DISCUSSION**

Becky Philipp reported the second round of finalists were announced for the 2018 Wood Stove Design Challenge. An article and link are included in this month HTM newsletter.

HTM continues to seek a chair for the Biomass Combustions Technologies Action Team. If you have a passion in this area and interested in leading the team, HTM welcomes your leadership.

A summary of additional information shared by team members included:

- Scott Sanford mentioned that he is presenting to an insurance group (underwriter focus) on safety features of different combustion appliances. He asked if members have presentation information on pellet and wood chips or solid wood safety that he could use as a starting point, he'd appreciate it. Instructions for installing stove matched to national fire code standards. Discussion occurred.

## **VI. BIOMASS RESOURCES & DEMOGRAPHICS (BR&D) ACTION TEAM DISCUSSION**

Becky Philipp reported that chair(s) are being sought for the action team. The team has been primarily focused on wrapping up project activities related to the Midwest Biomass Exchange in preparation for the roll-out at the 2018 HTM Conference & Expo. Beyond that, the team will focus on identifying potential projects for 2018. Ideas will be solicited from the team and industry on gaps, biomass for thermal or energy uses, and then rallying around promising projects for moving forward for the year.

## **VII. CURRENT HAPPENINGS/NEEDS OF THE INDUSTRY**

Gregg Mast reported that the Clean Energy Economy Minnesota (CEEM), along with other clean energy advocacy organizations, will be co-hosting a Clean Energy Business Day at the Capital in St. Paul on Thursday, March 20. Contact Gregg directly by phone or email for additional details.

Becky Philipp also shared the following highlights from the EIA Short-Term Energy Outlook for biomass for March 2018:

- Wood biomass is expected to be used to generate 120,000 MWh per day of electricity this year, increasing to 121,000 MWh per day next year.
- The electric power sector is expected to consume 0.251 quad of wood biomass this year, increasing to 0.261 quad next year.
- The industrial sector will consume 1.408 quad of wood biomass this year, falling to 1.395 quad next year.
- The commercial sector is expected to consume 0.081 quad of wood biomass each year.
- The residential sector is expected to consume 0.413 quad of wood biomass this year, increasing to 0.42 quad in 2019.
- The EIA predicts 2.229 million U.S. households will use wood as a primary heating fuel during the 2017-'18 winter, down 1.7 percent when compared to last winter. This includes 553,000 households in the Midwest, down 2.3 percent.

Bruno Zagar mentioned that Project Stove Swap funding will be used up in April 2018. He will forward details to Becky for sharing with the team following the call. Project Stove Swap services 17 counties in the Northeastern area of Minnesota.

Brent Bailey thanked supporters on the call for signing on to the Farm Bill Energy Title Support letter. Over 200 organizations, businesses and private sector side supported. He will also forward a separate support letter for team members to consider for the REAP program to share with the action team. Brent also reported that the 25x'25 Alliance continues to watch Farm Bill negotiations, as well as debate on the Renewable Fuels Standards. He

also noted continued interest as to the scope and activities in the biomass sector in the U.S. and needed messaging in that regard.

#### **VIII. NEXT CONFERENCE CALL**

Bruno reminded action team members of the next monthly **joint HTM action team** call scheduled for Tuesday, April 17, at 1:30 p.m. (CST). Gregg Mast, CEEM / Biomass Policy & Benefits Chair & Steering Committee member will facilitate the call.

#### **IX. DEMONSTRATION: MIDWEST BIOMASS EXCHANGE (MBioEX) DATABASE**

David Neumann, a Utilization Wood Use Specialist with the Michigan DNR and project lead, provided a 'live' demonstration of the Midwest Biomass Exchange for participants. An overview of the project was provided, a 'live' review of the website given, feedback gathered; and questions addressed. Dave, along with several other HTM action team partners including AURI, have been working on this project as in-kind match to the USDA grant funds. Going forward, it is hoped the site will require minimal maintenance. The work currently dovetails with Dave's current job.

#### **NEXT STEPS/ACTION ITEMS**

Following is a recap of next steps/action items:

- **Team members** – help promote 2018 HTM Conference & Expo; and submit newsletter items to Kelsey by April 18.
- **Bruno Zagar** – forward Project Stove Swap information to Becky for distribution to the team.
- **Brent Bailey** – forward REAP support letter info to Becky for distribution to the team.
- **Becky Philipp** - distribute Project Stove Swamp and REAP support letter information to the team upon receipt.

The call concluded at 2:40 p.m.

Prepared by: Becky Philipp, AURI, on behalf of Bruno Zagar