

## News and Updates for Michigan's Biomass Industry.

Michigan Biomass is an advocate for and supported by the state's PURPA wood-fired power plants. Visit [www.michiganbiomass.com](http://www.michiganbiomass.com) for more information.

### Quick Hits

hot off the press

#### Wolverine permit remanded

A Missaukee Circuit Court has ordered the state to reconsider the permit to install for a power plant in Rogers City that will co-fire biomass.

The circuit judge said the Dept. of Natural Resources and Environment (DNRE) "...exceeded its statutory authority by denying the permit to install based upon need," according to the *Presque Isle County Advocate*.

The ruling, plus a similar ruling in an Ottawa County court last year regarding a similar project, calls into question the moratorium on construction of new coal plants issued by former Gov. Jennifer Granholm in 2009.

The state must reconsider the permit by April, which was denied based on an analysis by the Michigan Public Service Commission (MPSC) staff that the cost to member ratepayers was too high and the added capacity wasn't needed.

The 600-MW project would fire up to 20% biomass.

#### State resources get attention

Michigan's forest and mineral resources will be the focus of a state House subcommittee. The Subcommittee on Forestry and Mining under the standing Natural Resources and Outdoor Recreation Committee will be chaired by freshman Rep. Matt Huuki (R-Atlantic Mine). He will be joined on the panel by Rep. Peter Pettalia (R-Presque Isle) and Rep. Harold Haugh (D-Roseville).

#### Forest biodiversity launched

The DNRE has launched its Living Legacy program that aims to identify, restore and preserve the state's biological heritage.

The program mandated by the legislature ten years ago requires that the agency identify and safeguard the state's historic landscapes, such as conifer swamps, northern hardwoods and grasslands. In December the biological stewardship areas, or BSAs, were identified for the northern Lower Peninsula representing up to 254,000 acres of state managed lands. The Forest Management Division estimates it could reduce timber harvest on state lands by 3% to 7% in that region.

The program crosses all ownerships, however, private landowners and other government landowners are not required to participate. The statute mandates the state encourage their participation.

BSAs fall into one of two classifications: They currently represent a historic landscape or can be restored to a "desired future condition," which means specific management practices for each area must be crafted.

BSAs for the southern Lower Peninsula, and the eastern and western parts of the Upper Peninsula are still under development.

#### MREP biomass group launched

The MPSC has re-engaged the biomass committee of the Michigan Renewable Energy Program (MREP).

MREP was mandated by a regulatory reform law passed in 2000 that required the MPSC to promote the use of existing renewable energy sources and the development of new sources. There were several workgroups established to work on rate structures, regulation and the various renewable energy sources, such as wind and solar. The biomass group was slow to gain the same traction, but that's changed.

In January the group reorganized and discussed impediments to expanded bio-energy production such as feedstock cost and availability, technologies, regulatory and economic constraints and public outreach. Work groups have been set up to explore these challenges and opportunities.

For more information contact Gary Melow, Michigan Biomass, at 989-763-0672 ([gary.melow@michiganbiomass.com](mailto:gary.melow@michiganbiomass.com)) or visit the MPSC MREP website. Go to [michigan.gov/mpsc](http://michigan.gov/mpsc), click on the "renewable energy" link and follow links to "michigan renewable energy programs."

#### BCAP off to slow start

The U.S. Department of Agriculture Biomass Crop Assistance Program is off to a slow start following the *re dux* announced last October. At press time, forms and information the local Farm Service Agency offices need to administer the program have not been delivered. There have also been Congressional attempts to kill the program through budget appropriations.

BCAP was suspended last April pending review. The "collection, harvest, storage and transportation" part of the program was dramatically changed, primarily restricting eligible wood fuel to forest remediation material or harvest residues sourced directly from the land under sustainability plans, making traditional mill sources ineligible. Materials that have competing regional markets are also ineligible.





## From *renewable* to *clean*

President Barack Obama in his State of the Union address has promised a new “space race” to satisfy 80% of the nation’s power needs from “clean” sources by 2035.

What is clean? Renewables, plus nuclear energy, natural gas and “clean” coal.

The remarks indicate a significant shift in focus from traditional forms of renewable energy — wind, solar and biomass — to a broader scope that includes less carbon-intense technologies like nuclear, natural gas and carbon capture, or “clean coal.”

“Some want wind and solar. Others want nuclear, clean coal, and natural gas. To meet this goal, we will need them all — and I urge Democrats and Republicans to work together to make it happen,” the President said.

## Net metering increases

The number of electric customers in Michigan participating in utility net metering programs grew 85 percent in 2009 according to the MPSC. There were 254 customers among the state’s 18 utilities and electric cooperatives who put 882 kilowatt-hours onto the grid.

Net metering allows certain self generators to put their excess power on the grid in exchange for power they take from the grid during periods of low self generation.

## Edison tries high-tech LFG

Detroit Edison’s latest renewable energy gig is getting the most out of landfill gas.

Edison plans to get 3.2 megawatts of power from the Smiths Creek Landfill near Port Huron by injecting septage into the landfill to speed the production of landfill gas, which is turned into electricity.

## EPA extension denied

A U.S. district court has denied a petition from the U.S. EPA asking to extend its deadline for issuing new boiler emission rules to April 2012. EPA said it needed more time to adequately gather and assess emissions data. The court has ordered EPA to issue its new rules by Feb. 21.

## Sierra Club drops suit

The Michigan Chapter of the Sierra Club has withdrawn its lawsuit against the state claiming the air quality permit it approved for the Frontier Renewables ethanol plant was based on faulty data.

## Verso lands financing

Verso Paper has landed \$10 million in financing from the Michigan Magnet Fund, an alliance of the Michigan Economic Development Corporation, Michigan State Housing Development Authority, and the Great Lakes Capital Fund to help along its biomass energy project.

Verso plans to produce 95% of the energy needed at its paper mill in Quinnesec, supporting about 50 jobs.

Verso manufactures coated, supercalendared and kraft papers. The \$43 million energy project is located within one of Michigan’s Energy Excellence Zones and is equal to 25 megawatts of installed capacity.

## COMMENT

### *Overtures from Lansing*

Politics can be conflicting. On one hand there’s lots of talk and media hype and you can only believe, at best, a fraction of what you hear. But, the other hand understands that, in many cases, perceptions are reality; that if one believes it to be so, than it is, and that can lead to self-fulfilling prophecy.

It’s easy to see, then, the potential for internal conflict caused by the positive rhetoric that’s being bandied about in Lansing, and to some degree, in Washington, too.

There’s a lot of “positive sign” coming out of newly-elected Gov. Rick Snyder’s (R) honeymoon. He’s added the tag line “...and Rural Development” to the title of the Michigan Department of Agriculture, which connotes a desire to boost the economic potential of the state’s forest products and ag resources, creating jobs and restoring vitality to rural communities. Subcommittees have been set up to focus on forest and mineral resources and value-added processing for the state’s ag commodities. There have been many overt remarks about bipartisanship, too — which is easily said when your party is in the majority.

There’s also a heightened sense of inter-agency cooperation and collaboration; something that’s especially needed for the wise management and utilization of our natural resources, which is crucial to ensuring appropriate and sustainable outcomes that maximizes the resource’s social, environmental, biological and economic benefits.

Bolstering the state’s resource-based industries strengthens its economic foundation. It’s the bulwark upon which the rest of our economy, our culture and our lifestyle are built. Perhaps what we’re seeing is the beginning of that understanding.