

# Oregon's Renewable Energy Working Group

March 27, 2007

The Honorable Ted Kulongoski  
Governor of the State of Oregon  
160 State Capitol  
900 Court Street  
Salem, Oregon 97301

Dear Governor Kulongoski:

Over the past year, the Renewable Energy Working Group (REWG) has been meeting to help develop strategies for implementing *Oregon's Renewable Energy Action Plan*. The REWG has spent the majority of their time working on legislative proposals that will help increase opportunities for development of renewable energy resources in Oregon. Additionally, their tasks included education about resource-specific renewable energy technologies and encouragement of local project development.

At the January 5, 2007 REWG meeting, representatives from the Oregon Forest Biomass Working Group (FBWG) presented a report that identified obstacles and opportunities for the development of biomass resources in Oregon. When the REWG met on March 13, 2007, the FBWG presented a list of 11 key tasks that need support at the state and federal levels. The tasks included barriers and issues related to research and development, predictable supply of biomass feedstocks, the regulatory environment, harvesting and transportation infrastructure, and others (see attachment). The REWG agreed to support these tasks and adopt them into their workload.

The REWG is encouraged by your continued strong support for renewables. We will concentrate on these issues to help open more opportunities for Oregon. Additionally, the REWG is hopeful that we can work with your staff to address the listed FBWG barriers to biomass development. Not only would this help Oregon produce locally-based renewable energy sources, but in the case of forest biomass, it addresses a significant issue of forest fire fuels reduction and healthy forest sustainability.

Thank you for your time and attention to this matter.

Sincerely,

*/s/ Mike W. McArthur*

Mike W. McArthur, Chair  
Executive Director  
Association of Oregon Counties

**Forest Biomass Working Group (FBWG) Report**  
**Key Federal & State Actions**  
**Presented to the Renewable Energy Working Group**  
**March 13, 2007**

**Key Federal Actions in FBWG report:**

1. Call for Congress to fully fund and support development of the US Forest Service Biomass Strategic Plan and the commensurate Bureau of Land Management plan.
2. Request that the US Department of Energy offer solicitations for funding research focusing on the conversion of biomass, such as poplars and grass straw, to cellulosic ethanol.
3. Build a cellulosic ethanol commercial demonstration facility in Oregon within the next two-and-a half years using public/private funds. Public funds could come from USDA Rural Development Agency's 9006 or 9008 programs.
4. Expedite forest stewardship contracting on federal lands through increased appropriations to staff federal lands management agencies.
5. Address the cost of forest biomass, by encouraging funding of the existing federal transportation credit for biomass that was authorized by Congress.
6. Address inequity in the federal production tax credit. Currently the credit for energy generated from biomass is less than for other renewable sources, and the credit is renewed for too short a time period to send the right signal to investors.

**Key State Actions in FBWG report:**

1. Provide funding for a coordinator to facilitate community forums to increase understanding of benefits and consequences of biomass utilization (2 FTE currently in Governor's budget for Oregon Department of Forestry (ODF) to further forest biomass development.)
2. Build on harvesting and research projects that have already been completed and fund new studies to fill in the information gaps (Oregon State University budget).
3. Support action that will help coordinate research and development advances in forest biomass utilization with commercial technology development (Renewable Energy Signature Research Center, SB 580 currently being considered).
4. Continue to develop administrative collaboration under Enrolled Senate Bill 1072 - 2005 session. Points to funding needs for ODF and other state agencies as articulated in the Governor's budget.
5. Consider developing/ expanding Oregon incentives to off-set capital cost of biomass energy facilities. (HB 2210, HB 2211 being considered in 2007 session)