

Agenda Item No:	6
Title and # of Issue:	Forest Vitality - Issue #3
Objective # & Title:	Objective 4 – Promote Incentives for Sound Sustainable Forest Health Restoration Practices
Date of Presentation:	April 26, 2007
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SUMMARY

Staff will present the findings and recommendations of the Oregon Forest Resources Institute (OFRI) report, *Biomass Energy and Biofuels from Oregon's Forest*, and the Forest Biomass Working Group (FBWG) report. Board of Forestry endorsement of the key federal and state actions identified within the FBWG report is recommended. Staff will also provide a status report on related legislation.

CONTEXT

- The 2005 Oregon Legislature and the Governor both provided direction for more state government involvement in promoting forest biomass utilization. In November 2005, the Board of Forestry approved the Forest Vitality Work Plan.
- The Work Plan's goal and Objective #4 (see below) calls for action in improving forest health through market-based solutions. Increased forest biomass utilization for energy and other uses has significant potential to be a viable market-based solution. In this context, "forest biomass" refers to underutilized woody material of low commercial value and where markets have been small to nonexistent.
 - *Work Plan Goal: "To encourage public and private landowners to continue to willingly make investments to create economically and environmentally healthy forests."*
 - *Work Plan Objective #4: "Promote incentives for sound sustainable forest health restoration practices, including the development of market-based solutions to reduce the risk of catastrophic wildfires and insect and disease outbreaks."*

BACKGROUND

In the fall of 2005, OFRI commissioned a study on the opportunities for, and barriers to, the production of biomass energy and biofuels from Oregon forests. Concurrently, the Departments of Energy and Forestry convened the Oregon Forest Biomass Work Group, a diverse 30-member committee charged to identify and address barriers to improving forest health through better biomass utilization.

OFRI Study

The OFRI report, *Biomass Energy and Biofuels from Oregon's Forests*, was completed by Mason, Bruce and Girard, Inc, Pacific Energy Systems, Inc, OSU Colleges of Forestry and Agricultural Sciences, and Dr. Jim Bowyer. Several members of the Forest Biomass Work group also provided review and input to the report as it was being developed. The report was completed at the end of June 2006, providing a good base of information on Oregon's potential for biomass energy and biofuels development. The report identifies opportunities, the environmental benefits, constraints, and provides recommendations (Attachment 1).

FBWG Report, Actions, Plans

The FBWG met throughout 2006 to better understand issues and barriers related to increasing biomass utilization, and in January 2007, issued the group's findings and recommendations (Attachment 2). The group seeks to understand policies, projects, positions, progress, and problems. The FBWG's report complements and reinforces the study commissioned by OFRI. While the OFRI report provides extensive coverage of the subject as researched by energy and forestry experts, the FBWG process provides a broad public forum to develop a shared vision among interest groups regarding the appropriate development of biomass use in Oregon. That shared understanding in turn provides an opportunity to work together for needed change.

The FBWG report findings were shared at several forums. They were presented in January 2007 at the Oregon Woody Biomass Conference. Later that month and in a follow-up meeting in March 2007, presentations were made to the Renewable Energy Work Group, which is responsible for implementing the state's Renewable Energy Action Plan. The Renewable Energy Work Group moved to support the key state and federal findings articulated in the FBWG report (Attachment 3).

The Legislature is placing priority on a number of bills that would assist with the implementation of the key federal and state actions identified within the FBWG report. In addition, the Legislature is considering a number of budget enhancements that would support the actions, including a policy option package in the Department's budget.

The FBWG is scheduled to meet through early summer of 2007, at which time the group will consider the actions of the 2007 Legislature, evaluate the work that remains, and offer recommendations on the best pathways to address the work that remains. The existing group's charter is due to sunset, but a new group will likely emerge to address the work that remains.

RECOMMENDATION

The Department recommends the Board of Forestry join the Renewable Energy Work Group in endorsing the key federal and state actions identified within the FBWG report and direct Department staff to implement the recommendations.

NEXT STEPS

- Department of Forestry will support legislation and budget actions addressing biomass utilization by the 2007 Oregon Legislature consistent with the *Forestry Program for Oregon*, Forest Vitality Work Plan, and the FBWG report findings.
- Based upon the outcomes of 2007 Legislative Session, and the subsequent recommendations that come from the FBWG, staff will bring revised steps for completing Objective 4 of the Forest Vitality Work Plan to the Board of Forestry at its November meeting.

ATTACHMENTS

- 1 - Biomass Energy and Biofuels from Oregon's Forests, Executive Summary
- 2 - State of Oregon Forest Biomass Working Group Report
- 3 - Key Federal & State Actions from Forest Biomass Work Group Report, supported by Renewable Energy Working Group