

Agenda Item No:	E
Title and # of Issue:	Forest Vitality - Issue #3
Objective # & Title:	Objective 4 – Promote Incentives for Sound Sustainable Forest Health Restoration Practices <i>State Forester Wood to Energy “Jump Start” Program</i>
Date of Presentation:	September 5, 2007
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SUMMARY

The Department requests Board approval to apply for a new federal grant opportunity through the U.S. Forest Service. The *State Forester Wood to Energy “Jump-Start” Program* (Attachment 1) had an application postmark due date of June 27, 2007. The purpose of this grant is to support the development of projects and help jump-start a statewide program that implements wood to energy technology; \$800,000 is available for granting, with individual grants not less than \$25,000 or more than \$75,000.

CONTEXT

The Department views this grant opportunity as being in concert with the Board’s Forest Vitality Work Plan Issue 3, and Legislative direction in both the 2007 and 2005 sessions. Through enrolled 2005 Senate Bill 1072, the Oregon Legislature gave the Department specific direction to pursue opportunities to improve forest health by examining market opportunities for biomass utilization, especially on Oregon’s federal forest lands. In addition, the Department’s 2007-2009 budget contains state funding for a new forest biomass policy coordination position.

BACKGROUND

On May 29, 2007, the Department was notified by the State and Private Forestry Cooperative Forestry Division of the U.S. Forest Service about this federal grant opportunity and was given a very short timeframe to respond.

The Department is requesting retroactive authority at the September 2007 meeting of the Legislative Emergency Board, and will seek Board of Forestry approval at its September 5, 2007 meeting to accept this grant.

For the *State Forester Wood to Energy “Jump-Start” Program*, the eligible applicants are State Foresters or their designated representatives. For Oregon, three separate but potentially related proposals (local, regional, statewide applications) were forwarded for consideration:

- Harney County School District #3 - Preconstruction engineering services for Burns High School woody biomass-fired boiler. (\$75,000 requested)
- Central Oregon Biomass Boiler Initiative – Under the proposal Central Oregon Intergovernmental Council (COIC), will jump-start the development of three new biomass boiler systems by identifying prime candidates, marketing biomass boiler opportunities, performing feasibility analyses, supporting project development, and assisting with financing. The ultimate goal is to develop a cluster of 25 biomass boilers in the region with substantial cost savings for fuel in comparison to natural gas. (\$32,050 requested)
- Statewide Boiler Assessment – Submitted by the Department to assess the potential commercial opportunities and challenges in retrofitting or replacing existing boilers in Oregon with efficient wood-fueled boilers. The study will use information presented in the State’s boiler database to estimate the potential size and scope of a commercial wood-fired boiler market in Oregon. (\$25,000 requested)

On August 6, 2007, the U.S. Forest Service announced that the Central Oregon Biomass Boiler Initiative and the Statewide Boiler Assessment had both been awarded *State Forester Wood to Energy “Jump-Start” Program* grants for the full amounts requested.

NEXT STEPS

Pending approval by the Board and the Legislative Emergency Board, the Department will actively work with cooperators to implement the projects for which grant funds are awarded. The July 5, 2007 letter from the Department to the Legislative Emergency Board Co-Chairs (Attachment 2) also references a second grant program called *National Forest Restoration Working Group Partnership Grants*. However, it has been determined the Department will not be directly involved in any grants obtained through this program in 2007.

The Department has informed the federal State and Private Forestry that acceptance is pending Oregon’s Board of Forestry and Oregon Legislative Emergency Board approval to receive the grants.

RECOMMENDATION

The Department recommends the Board approve the submission of the federal grant request to the U.S. Forest Service.

ATTACHMENTS:

- (1) *State Forester Wood to Energy “Jump-Start” Program* Grant Announcement
- (2) July 5, 2007 Federal Grant Review and Approval Request Letter from the Department to the Oregon Legislative Emergency Board Co-Chairs