Michigan Biomass

The Power of Wood

News and Updates for Michigan's Biomass Industry.

Michigan Biomass is an advocate for and supported by the state's wood-fired power plants. Visit www.michiganbiomass.com for more information.

Quick Hits

hot off the press

Power of Wood going all digital

This is the last *print* version of the *Power of Wood* newsletter from Michigan Biomass. It's going all digital in 2015.

The electronic version will contain all the same great information about biomass energy and forest resources, but in a convenient, easy-to-use digital format. This will allow us to include links to other sources of news and information, and to bring it to you on a more timely basis.

The new and improved website was launched earlier this year and includes everything you want to know about biomass.

Get connected. Subscribe at *michiganbiomass.com.*

Biomass can help UP power woes

Valerie Brader, energy advisor for Gov. Rick Snyder, told attendees at an Upper Peninsula energy summit that biomass could be part of the solution to the region's power problems.

"We believe, fundamentally, that the best choice is to keep a major source of generation [in the U.P.]," Brader said.

Midwest Energy reports Brader said the solution will likely be a mix of natural gas and renewables, including dispatchable biomass.

Viking Energy plant manager Tom Vine gives visitors a tour of the McBain power plant during an open house on National Bioenergy Day.

Open house draws visitors

About 70 people toured Viking Energy of McBain and surrounding forest products industry at an open house in observance of National Bioenergy Day on Oct. 22.

Visitors boarded shuttle buses for stops at Hydrolake, Biewer Lumber and the biomass power plant. Partners included the Michigan Association of Timbermen, the Michigan Forest Products Council, the Dept. of Natural Resources, the U.S. Forest Service, the Ruffed Grouse Society, and Conservation Districts from Wexford and Missaukee counties.

National Bioenergy Day was developed to celebrate this source of renewable energy and the benefit it provides our natural resources and communities.

Scrap tire bills offered

The Michigan senate has approved on a 36-0 vote a pair of bills aimed at better scrap tire enforcement and less regulatory and administrative burden on registered haulers and processors.

Michigan biomass power plants are major users of tire-derived fuel, which is processed from scrap tires. In 2011 biomass plants used 8 million tires as fuel and make up more than half of the market for scrap tires and scrap tire materials.

Tire-derived fuel reduces overall power plant emissions and improves power plant performance and efficiency.

Whole scrap tires, because of their materials and construction, cannot be landfilled. Converting scrap tires to energy is the current best utilization of that material.

SB 941 and SB 942 should be taken up by the house before session ends in December.

Biomass and EPA carbon rules

Opposing sides to the U.S. EPA's Clean Power Plan have drawn their lines in the sand, and biomass power seems caught in the middle.

EPA has also released its "accounting framework" for carbon emissions from biomass sources.

Major coal producer Murray Energy filed two suits in U.S. Circuit Court in June, one claiming that EPA does not have the authority to regulate greenhouse gas emissions from existing sources, the other that EPA's plan is moot because these power plants are already regulated under Part 112.

Nine states, including Nebraska, Alaska, W. Virginia, Virginia and Ohio have enjoined Murray in their suits. Fourteen states, including New York, California, Delaware, New Mexico, Oregon, Rhode Island and the District of Columbia, have petitioned the court to intervene on EPA's behalf. They say climate change will cause coastal damage, intensify severe weather and cause heat-related death and illness.

EPA on Nov. 19 released its second draft on an accounting framework for greenhouse gas emissions from biomass sources. In general it finds that biomass carbon emissions have little or no impact on atmospheric stores of biogenic carbon (effectively carbon neutral) and should be part of its Clean Carbon Plan to reduce power plant carbon emissions.

Science shows that energy produced from sustainable supplies of wood fiber and other organic byproducts like manure are, at minimum, carbon neutral, offsetting the generation of methane from those feedstocks as well as offsetting emissions from fossil fuels.

EIA says biomass use to grow in '15

The Energy Information Administration predicts that wood biomass will generate 118,000 MWh of electricity per day in 2015, up from 116,000 MWh per day this year (+1.7%) and 109,000 MWh per day in 2013 (+8.3%). Waste biomass is expected to be used to generate 58,000 MWh of electricity per day next year, up from 54,000 MWh (+7.4%) per day this year and 55,000 MWh per day last year (+5.4%).

More than 2.71 million homes across the U.S. are expected to heat primarily with wood this winter, up 3.9 percent from last year. That number includes 646,000 homes in the Northeast, 696,000 homes in the Midwest, 635,000 homes in the South, and 734,000 homes in the West. In the Northeast, the number of homes heating primarily with wood is expected to be up 6.9 percent, with growth rates in the Midwest, South and West forecast to be up 6.2 percent, 1.7 percent and 1.1 percent respectively.

COMMENT

UP 'unintended' victim of perfect policy storm

I hate to use clichés but it's so true in this case: The UP power dilemma is the product of the perfect storm. It's a tale in which the last chapter as the good folk and businesses of Michigan's Upper Peninsula getting saddled with cost they don't deserve.

Chapter 1: Once upon a time, the Michigan legislature passed a law that limited how many electric customers could get their power from someone other than the incumbent utility – unless you were a UP mining company served by We Energy, which are exempt from the from the limitation because they composed more than 75% of We Energy's Michigan retail sales. They argued successfully that the mines should have the choice option despite the limit. They took that option, which made it harder for We Energy to do business in Michigan.

Chapter II: Meanwhile, in a land far, far away, the US EPA drafted new rules on power plant emissions. We Energy first said it was selling its old 430-MW coal plant in Marquette because of these regulations, and the loss of the mines' load, but the numbers didn't add up so they said they would close the plant, putting a huge chunk of UP power supply in jeopardy.

Chapter III: But wait! That plant can't close, says MISO, the agency that runs the grid. Without that old coal plant, reliability in the UP – the ability to keep the lights on – will suffer. MISO said that plant "must run."

Chapter IV: There's more. "OK," said We Energy, "but it costs a lot to run that plant," about $100 million a year, the feds said, including the cost of emission upgrades to meet new EPA air standards.

Chapter V: Meanwhile, back in that land far, far away the feds rolled out a new method for allocating "system costs" – determining how users divvy expenses for things like transmission and infrastructure. When the calculator smoke cleared, they said 99.5% of those We Energy costs must be paid by UP ratepayers, even those who weren't We Energy customers.

The End: Not quite. This is a sticky wicket of unprecedented stickiness. Clearly these unintended consequences are neither "reasonable nor prudent" for UP electric customers.

Michigan needs a plan for the UP and it needs to capitalize on its local energy resources, like woody biomass, rather than forking over billions to power an old coal plant, or build transmission.

The state, the feds, utilities and industry in the UP need to fix this problem, and biomass should be a part of that solution.

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