

## 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](http://www.michiganbiomass.com) for more information.

### Quick Hits

hot off the press

#### L'Anse Warden joins group

L'Anse Warden Electric has joined Michigan Biomass.

The Baraga County facility is owned by Traxys Energy, a New York-based company that also owns White Pine Electric, a coal-fired facility in White Pine, Mich.

L'Anse is a 20-megawatt wood-fired plant converted from a coal boiler. It went on line in the fall of 2008.

#### Frontier permit modified

The 40 million gallon-per-year Frontier Renewable wood ethanol facility has received a permit modification to use wood for its energy input.

Originally planned to use natural gas, the plant will utilize the equivalent of 787,000 green tons of lignin and other biomass fuels.

#### Torrefaction group forms

A group of businesses and academics have formed a group to pursue torrefaction.

Torrefaction is a process of heating wood in the absence of oxygen to densify its energy and give it physical characteristics similar to coal, which will enable its use in conventional power plants fueled by coal.

The meeting was coordinated through Michigan State University.

#### Manistique Paper closing

Manistique Paper announced it is filing for bankruptcy and closing its mill. The 90-year-old company produces specialty papers from 100% recycled material.

#### Biomass system debuts

Michigan's Forest Biomass Information System (FBIS) was unveiled at Central Michigan University in July. Funded by grants at Michigan State University and Michigan Technological University, the GIS-based system regionalizes information from the Forest Inventory Analysis and provides a more specific snapshot of wood fiber volumes in defined areas. The principal feature is the ability to draw polygons in specific wood sheds to take into account species, ownership and other factors.

While the system produces data on total wood fiber and species that takes into account removals, mortality and regeneration, it does not take into account existing use and availability of that material. That component has been developed but is not yet been integrated into the GIS program. However, that information is available for users to further qualify data retrieved from the FBIS.

An ag-based waste material RS-GIS system is already in operation. Long-term plans are to integrate the two projects. Funding sources are needed to maintain and further develop both systems.

The FBIS debut was part of a meeting of the Biomass Committee of the Michigan Renewable Energy Program.

#### Wolverine moving ahead

The Dept. of Environmental Quality (DEQ) has approved the air quality permit for Wolverine Power Cooperative's proposed Rogers City co-fired plant, and the company is taking a new look at the project.

The permit had been denied by the former Dept. of Natural Resources and Environment. A court decision earlier this year remanded the permit application back to the state.

The co-op says it's moving ahead with development of a 600-MW co-fired plant near Rogers City after getting its air quality permit through a court order. It would be fired up to 20% with biomass.

"We can move forward immediately on doing our due diligence to determine whether this is in the best interest of our members," Wolverine communications director Ken Bradstreet told the Alpena News.

The state under former Gov. Jennifer Granholm rejected the air permit on the grounds the project wasn't needed and would drive up ratepayer costs. A Michigan circuit court ruled the state had no authority to take economics and demand into consideration of an air permit and remanded the application back to the state, which later issued the permit.

#### Federal logging explored

Michigan State Sen. Tom Casperson (R-Escanaba) joined Wisconsin State Rep. Tom Tiffany (R-Hazelhurst) to conduct a conference and hearing in Iron Mountain, Mich. to hear stories and better understand difficulties resulting from lagging timber sales on federal forests.

More than 100 industry representatives provided testimony on their experience with the U.S. Forest Service, federal timber sales, and the impact on their businesses.





## Bills target boiler MACT

A pair of bills has been introduced in Washington, D.C. seeking to stay the new U.S. EPA rules on emission limits for industrial boilers and solid waste rules that threaten the biomass energy industry.

While the agency has stayed action on two critical air rules until it can reissue more achievable ones, rules that would classify some traditional fuels as solid waste were not stayed. If passed HR 2250 and S 1392 would compel EPA to stay all the rules for 15 months and reissue them under direction that they be reasonable and achievable.

In February EPA issued so-called boiler “MACT” and the solid waste rules under court order, promising to reconsider them through administrative processes. Only the air rules qualified and EPA is moving ahead with the solid waste rule.

## Stabenow holds Farm Bill hearing at MSU

U.S. Sen. Debbie Stabenow (D-Mich.), chairman of the Senate Agriculture Committee, held the first of multiple field hearings on the 2012 Farm Bill last spring at Michigan State University.

The Senator and Ranking Minority Member U.S. Sen. Pat Roberts (R-Kan.) are seeking input on biomass power and bio-fuel policy as part of the 2012 Farm Bill.

## Ag and energy

In July Michigan Gov. Rick Snyder hosted a production agriculture summit to brainstorm and direct initiatives to enhance rural development, where he outlined his 2012-2017 objectives:

- Increase sector economics from \$71 billion to \$100 billion annually.
- Double agriculture exports.
- Increase sector jobs by 10%.
- Increase availability of “healthy foods” by 20%.

Energy can be a key part of this endeavor. Domesticating Michigan’s energy sources — creating it here instead of buying it from oil and coal regions — would keep \$24 billion a year in the Great Lakes State. That’s 82% of the governor’s goal. Biomass power can provide up to five times the jobs per megawatt of power compared to wind energy. And, it can be done affordably, effectively and around the clock. Biomass power aids forest health, provides wise and environmentally beneficial disposal of mill wastes and forest residues, and provides jobs in rural areas.

## BCAP projects announced

The number of special projects under the Biomass Crop Assistance Program now stands at nine; none in Michigan.

The U.S. Dept. of Agriculture in July announced four new special

project areas under the Biomass Crop Assistance Program, encompassing 51,000 acres in California, Kansas, Montana, Oklahoma, Oregon and Washington for the production of renewable energy crops.

Two projects in California, Montana, Washington and Oregon will grow camelina for jet fuel. One will grow hybrid poplar on 7,000 acres in Oregon. Another will plant 20,000 acres of switchgrass in Kansas and Oklahoma.

There is \$45 million allocated for these projects.

Five other projects encompassing 250,000 acres in Arkansas, Kansas, Missouri, Pennsylvania and Ohio were previously approved at an estimate cost of \$20 million. All are for growing giant miscanthus.

## St. Mary’s Paper eyes energy

St. Mary’s Paper company in Sault Ste. Marie, Ont. is looking at energy to lead its turnaround.

According to The Sault Star, the company has signed a 10-year power purchase agreement with Ontario Power Authority for a proposed 36 MW wood plant.

The company is also looking to diversify with wood pellets, bio-based chemical production, fertilizers and ethanol, district hot water heating and carbon sequestration in algae.

St. Mary’s Paper produces supercalandar-grade paper.

## Pellet exports

Opposition to bio-energy production in Michigan on the premise the state’s forests will be cut down need to understand there’s nothing stopping other states or countries from using Michigan wood fiber for energy.

Case in point: Europe. According to Argus Media, The European Union’s demand for wood pellets to meet its “20 by 20” renewable energy goal will increase 32 million tons annually starting in 2016. The EU consumed just 11 million tons of wood pellets in 2009 and could hit between 115 and 335 million tons per year by 2020, according to an article in Biofuels, Bioproducts and Biorefining. Example: The British utility RWE recently announced it is building its own pellet mill in Georgia to supply fuel for a 750-MW coal retrofit, which represents nearly 2.3 million green tons annually.

The U.S. Industrial Pellet Association (USIPA) has been formed by Enviva, Fram, Green Circle and Westervelt to help set production standards that meet the demand of the European market. From Forest2market.com



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