

Quick Hits

Hot off the press

LBW&L shelves biomass

A citizen's advisory panel for the Lansing Board of Water and Light has recommended that plans for a 300-megawatt (MW) coal and biomass power plant be tabled, citing uncertainty in the state's economy, pending federal environmental legislation and limited biomass availability.

The facility was to burn 30 percent biomass with coal. A BW&L spokesman said there was too much uncertainty in biomass availability. "They (the panel) weren't saying to throw the idea out, but to keep it in the mix," he told National Public Radio.

The project was intended to replace the utility's aging Eckert Power Plant, which is to be phased out by 2017. Citizen panel chair, former state attorney general Frank Kelly, said BW&L will continue to build solar and landfill gas into its power portfolio.

Biomass topic of summit

Michigan State University Extension hosted a Biomass Energy Summit Feb. 17 to gather information on where to focus its outreach efforts.

Information, education and outreach will be crucial in digging out usable detail necessary for the state to achieve its aggressive renewable energy goals.

Forest stakeholders from government, universities and industry met in workgroups to lay groundwork for this effort.

Michigan Biomass

*Cadillac Renewable Energy
Genesee Power Station
Grayling Generating Station
Hillman Power Company
Lincoln Power Station
McBain Power Station*

The Power of Wood

Information and updates affecting Michigan's biomass energy industry

◆ Meeting bio-energy demand

Michigan isn't alone in trying to figure out how its forest resources will meet growing energy demand. The feds want to know, too, and have awarded the University of Minnesota \$2.7 million to try and figure that out.

The grant is part of \$24 million in biomass research and development initiatives from the U.S. departments of Agriculture and Energy.

"It seems like every other day there's a proposal to put a [biomass] plant in," said Tony D'Amato, a professor in the university's Forest Services Department who is leading the four-year project. "What we don't know is whether there's really enough wood out there to handle the potential demand, and whether it's sustainable over the long haul environmentally, socially or economically."

The Michigan Forest Biomass Inventory System (FBIS) is currently under development and will help assess forest-based biomass inventory and what part of that resource may be available for harvest. According to Dr. Donna LaCourt, Bio-energy Business Development Director with the Michigan Economic Development Corp. (MEDC), the FBIS will incorporate a broad spectrum of information such as satellite, soils and land cover data, transportation networks, political boundaries and land ownership that will allow users to query specific information by region and application. The system will also look at the potential of forest-based biomass to support the state's expanded renewable energy goals.

The FBIS will be available in the Fall of 2010. The system is being developed by Michigan Technological University and Michigan State University in cooperation with MEDC and the Michigan Forest Products Council.

◆ Federal bucks coming

The U.S. Office of Management and Budget has allocated \$8.8 million for Michigan providers of biomass energy feedstock.

The Biomass Crop Assistance Program (BCAP) is designed to bolster biomass supply chains by providing financial assistance to producers of eligible biomass feedstock. The goal is to provide incentives for the collection, harvest, storage and transportation (CHST) of biomass fuels that would otherwise not make it to market.

Providers of eligible fuel, which includes agriculture residue and waste wood such as forest residue, can participate for two years.

Visit www.fsa.usda.gov/FSA and search "BCAP" to learn more.

◆ MSU forestry reorganized?

The Department of Forestry at Michigan State University could be history under a reorganization plan under consideration.

Departmental functions would be dispersed across other departments within the College of Agriculture and Natural Resources, effectively reducing the forestry department to programs and eliminating certain undergraduate forestry degrees.

The restructuring was recommended in response to the difficult financial status at the university. It changes the name of the Department of Natural Resources to the Department of Natural Resources Ecology and Management and reflects a new foundation in fish and wildlife management. Selected components of forestry will be integrated into the new department and transitioned into a "program." Forestry faculty will be assigned to this program and at least one other department.

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

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With the high expectations being placed on biomass resources to carry Michigan into a bio-economic future, putting forestry in the backseat seems like a bad move at a time when that expertise is sorely needed and in high demand by emerging markets.

◆ **Expectations high on woody biomass**

Woody biomass has carried a lot of freight in Michigan's bio-energy past, and is expected to carry a lot in the future. Energy projects — some under development, some just in talking stages — could increase demand for biomass feedstocks by 300 percent over the next few years.

Michigan has 19 million acres of forest resources, but it will take concerted effort to ferret-out where this resource is most available, accessible and affordable.

Forest industries account for more than 6 percent of Michigan's total economic activity. According to a recent report presented to the governor, the forest products industry ranks behind manufacturing and agribusiness, and just behind oil and gas exploration as one of the state's leading industries, responsible for \$1.2 billion in direct economic activity. Recreation use such as hunting and fishing, hiking, bird watching and snowmobiling accounts for another \$1.3 billion in economic activity.

Roughly 53 percent of Michigan is covered by forests. Of that, more than half belongs to private, non-industrial landowners. The State of Michigan, while responsible for a majority of timber sales in the state, owns 20 percent of forested lands. Source: Michigan Forest Products Council.

◆ **Grants fund biomass co-firing exploration**

The Michigan Department of Energy, Labor & Economic Growth (DELEG) has awarded nearly \$75,000 in grants for three demonstration projects that will explore biomass fuel applications. The Lansing Board of Water & Light will assess an organic-based compound call N-Viro Fuel™ co-fired with coal, while the Wyandotte Municipal Services grant will help fund an investigation into the logistics of acquiring and handling various woody biomass fuels. Both involve test burns.

The third grant was to Michigan Tech to evaluate high ethanol and gasoline blends for use in snowmobiles.

◆ **DNR, DEQ recombined**

The Michigan departments of Natural Resources and Environment are one again.

On Jan. 17 the two departments merged into the Department of Natural Resources and Environment (DNRE) under executive order of Gov. Jennifer Granholm.

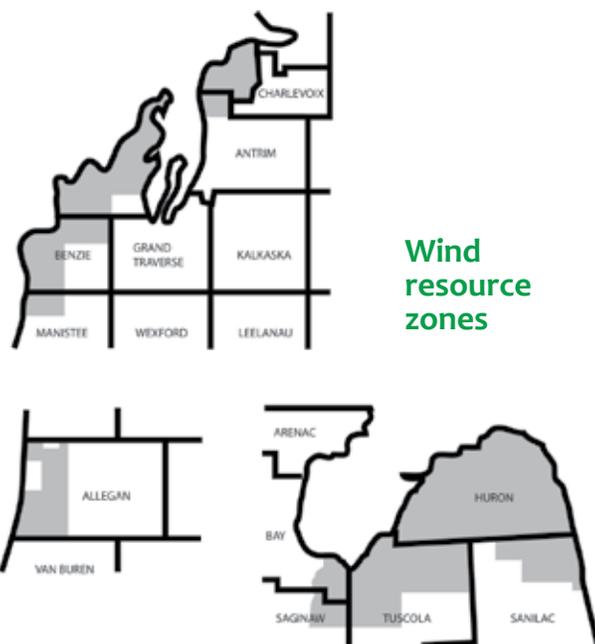
Former Department of Natural Resources Director Rebecca Humphries has been tapped to head the new, broader

department.

The recombination comes with recommendations on organizational structure and management, suggestions on how the new department can be more efficient and effective, and how it can better engage the public. To see those transitional recommendations, visit www.michigan.gov/dnr to read details and to see the report.

◆ **Wind energy costs not just in the wind**

ITC, Michigan's chief power grid owner/operator, along with Wolverine Power Cooperative, estimates it will cost between \$450 million and \$640 million to move wind power from three of the state's four preferred lakeshore wind energy zones to the power grid.



The four areas identified by the Wind Resource Zoning Board could support from 3,400 to 6,100 MW of installed wind power.

Allegan County, with a potential for 250 to 445 MW of installed capacity, needs no system upgrades. The Antrim and Charlevoix county region could support 150 to 275 MW, but has no transmission backbone, requiring \$24 to \$42 million in system expansion. The Manistee/Leelanau/Benzie county region could support 650 to 1,170 MW but needs transmission improvements of \$36 million. System upgrades to jointly serve these neighboring regions could shave \$1 million to \$21 million off total costs.

The most costly upgrade would be in the Thumb Region where \$390 to \$510 million in transmission improvements are needed to move up to 5,200 MW of installed capacity, which includes some costs for system redundancy.