

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

UP chopsticks

Upper Peninsula wood has found an exported market on Chinese dinner tables – as chopsticks.

Global Wood Sticks, LLC has announced a deal to operate a “custom-sized wood products” facility in White Pine. One of its principal products will be chopsticks according to a report in *The Daily Mail*.

It will be the first plant of its kind in Michigan, according to a news release cited in the report.

The company will operate 58 machines, a sawmill and employ from 70 to 80 workers.

Forest plan comments due

The Dept. of Natural Resources is taking comments on its Regional State Forest Manage Plan. The deadline is March 8.

Get more information at http://michigan.gov/dnr/0,4570,7-153-30301_30505_62551---,00.html.

The plans are intended to:

- Recognize the unique needs of individual management areas;
- Account for regional needs;
- Better inform and guide management and operational decisions; and
- Help improve communication among all interested individuals and organizations.

MPSC issues energy outlook

Consumer electricity costs will likely increase this winter over last, while overall energy prices for the heating season will be down from last year, according to a report released by the Michigan Public Service Commission (MPSC).

Electricity rates from Consumer Energy Co. are expected to increase 4.7% — 8.8% for DTE customers, the report says. Auto manufacturing will drive a 1.4% increase in consumption — residential electricity use is expected to remain flat.

Ratepayers will use more energy for heating this season compared to the mild 2011-12 winter, although prices for natural gas and propane are expected to be down 7% and 20% respectively over last year.

Governor gives energy, environment message

Gov. Rick Snyder in November delivered a “special message” on energy and the environment, highlighting a plan to study the feasibility of more renewable energy.

Some in the renewable sector gave the governor's remarks a cool reception, believing there has been sufficient progress under Michigan's renewable portfolio standards (RPS), and sufficient study that shows more renewables are feasible today. Opinion polls indicate the public supports more renewable energy despite their rejection of the 25 x 25 constitutional amendment in November.

In his address Snyder said he supports an “all of the above” energy strategy that takes advantage of Michigan's natural gas capabilities, and that energy efficiency should be a major cornerstone. He also supports transmission system upgrades in the Northern Lower and Upper peninsulas.

Snyder has directed John Quackenbush, Chairman of the Michigan Public Service Commission, and Steven Bakkal, Director of the Michigan Energy Office, to gather information and data on the state's energy needs, wants and capabilities. They will issue a report at year end.

Grand Rapids

Monday, Feb. 25
Grand Valley State University
Loosemoore Auditorium
401 Fulton St. West
Grand Rapids, MI 49504

Tri-Cities Area

Monday, March 4
Delta College Lecture Theater
1961 Delta Rd.
University Center, MI 48710

Kalamazoo

Monday, March 18
Western Michigan University
Fetzer Center Kirsch Auditorium
2350 Business Ct.
Kalamazoo, MI 49008-5239

Detroit

Monday, March 25
NextEnergy
461 Burroughs Street
Detroit, MI 48202

Marquette

Friday, April 12
Northern Michigan University
Don H. Bottum University Center
Brule & Cadillac Conference Rooms
1401 Presque Isle
Marquette, MI 49855

Traverse City

Monday, April 22
Northwestern Michigan College
Hagerty Conference Center
715 E. Front St.
Traverse City, MI 49686





A number of public forums will be held across the state.

QFA bills in state house

The state senate has taken up a package of bills to amend the Qualified Forest Act (QFA) -- a deal that was done but somehow got overlooked during lame duck. It simply didn't get scheduled in time for the house vote it needed for passage.

SB 51-59 are sponsored by Senators Tom Casperson (R-Escanaba) and Darwin Booher (R-Evart) and started moving through the legislative process in early January.

The bills await action in the house.

Richardson named NRC chair

Traxys Energy Group's J.R. Richardson has been appointed chairman of the Natural Resources Commission. Previous chair Tim Nichols resigned from the position, but remains on the commission, citing family and business reasons.

Richardson, on his second appointment to the commission, is the environmental, health and safety director for Traxys Energy Group, which owns and operates the L'Anse Warden Electric biomass plant in L'Anse.

Spring timber summit set

Gov. Rick Snyder has called for a timber summit to bring together stakeholders in the forest products industry to brainstorm ways to bolster that segment of the economy.

Participation in the Lansing event April 23 is by invitation only.

Snyder has called for development of a strategy for timber resources, which offers rural economics and \$14 billion annually in economic activity that supports 26,000 Michigan residents. Industry, the Timber Advisory Council, the Michigan Economic Development Corporation, and the Michigan departments of Agriculture and Rural Development (MDARD), Natural Resources (DNR) and Transportation (MDOT) have been tapped to identify and prioritize opportunities for forest products industry growth.

EPA: C&D is OK, RR ties need more data

The U.S. EPA has published its final Non-Hazardous Secondary Materials Rules, which help establish traditional forest and mill residues as bona fide biomass fuel and not solid wastes. The rules also consider construction and demolition (C&D) wood and scrap tires as legitimate fuels and not a solid waste when meeting processing and other requirements.

Not all wood sources made the cut. EPA wants more supporting data before it will list creosote-treated wood – railroad ties – as fuel.

FEDERAL AIR STANDARDS: EPA has also published rules on air emissions that affect biomass boiler operations, the most significant being Minor Source Boiler MACT (Maximum Achievable Control Technology). Industry believes it can meet the new standards through best management practices.

U.S. wood fueling European energy

Renewable energy policy in the European Union is providing a new market for wood fiber sourced from North America, particularly in the Southeast.

There are ten export pellet mills operating or under construction in five southern states, that when fully up and running will be shipping 9 million green tons worth of pellets annually to facilities in the UK and Germany, according to an article in *Wood Bioenergy* magazine.

That 9 million tons translates into 695 megawatts of grid-connected biomass power that could be generated in the U.S. if state and federal governments had energy policy that better promotes utilization of local and regional energy sources.

This export fuel represents 23% of the nation's current biomass power capacity and its workforce.

Most of the jobs associated with export pellet manufacturing are indirect — jobs in the field collecting, processing and transporting wood fiber to the facility. Those jobs would remain in the U.S. regardless of where the wood goes. It's hard to imagine that the shipping industry jobs created by exports would surpass the potential 700 jobs at 35 facilities that home-grown, value-added biomass power would create from these resources.

You can't deny these markets and the benefits they bring to these five lucky states, but it does raise the question of whether or not the U.S. would be better off economically if the value-added jobs of extracting the energy from these resources stayed here.

US Pellet Exporters	State	Green Tons
Drax	MS	825,000
Drax	LA	825,000
Enova	GA	750,000
Enova	GA	750,000
Enova	NC	750,000
Enviva	VA	1,375,000
Enviva	NC	1,375,000
Fram Renewable Fuels	GA	916,667
Fram Renewable Fuels	GA	733,333
General Biofuels	GA	400,000



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