



Lake County Resources Initiative

A Healthy Economy and Environment based on Sustainable Natural Resources, ensuring Quality of Life for Present and Future Generations

February 11, 2014

Oregon Senate Committee on Rural Communities and Economic Development
Attn: Beth Patrino, Committee Administrator

Subject: Hearing Testimony for SB 1578

To Whom It May Concern:

I am writing on behalf of Lake County Resources Initiative (LCRI) to express support for SB 1578, as amended, to make biomass an eligible green energy technology to meet the state's 1.5% investment requirement for new public buildings and major renovations.

In Lake County we are implementing every kind of renewable energy except ocean wave, for obvious reason. An independent economic study by Richard Gardner, PhD Economist, analyzed 22 renewable energy projects, LCRI assisted with implementation and the study showed that these 22 projects would save \$125,000/year or over the life of the Equipment \$1.9 million. Dr. Gardner also reviewed projects we were working on and concluded that with those projects, the savings would increase to \$9 million. The important fact about this is dollars that once were dedicated to energy costs now become new expendable income which is a major economic impact in the community.

The other lesson we have learned at LCRI is every project has to be analyzed independently as the most cost effective renewable energy alternative will differ between projects. Having biomass as one of those alternatives is critical. This is demonstrated by over 20 community-scale biomass thermal energy projects scattered across 10 Oregon Counties providing space heat and hot water to schools, hospitals, airports and visitor centers in small communities such as Burns, Enterprise, Days Creek, Estacada, Oakridge, Tillamook, John Day, Three Rivers, Sisters, Prairie City, Vernonia, and Bend. These 20+ projects demonstrate the potential of biomass thermal energy. But exclusion of woody biomass from the eligible 1.5% green energy technologies will stymie wide spread adoption of biomass thermal energy projects as a potential alternative.

LCRI has done an analysis using every renewable energy source and the impact these can have on climate change. The study indicates that in the next 10 years we will have the opportunity to offset 93% of the fossil fuel CO2 emissions in Lake County while accomplishing a positive economic benefit. I wonder what impact we could have if every rural county in Oregon was able to capitalize on the renewable energy opportunities in their communities.

Sincerely,

James K. Walls
Executive Director