



# Oregon

John A. Kitzhaber, MD, Governor

## Department of Forestry

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February 19, 2014

Honorable Jules Bailey, Chair  
House Committee on Energy and Environment  
453 State Capitol  
Salem, OR 97301

**Re: Senate Bill 1578**

Dear Representative Bailey and Members of the Committee:

Thank you for the opportunity to express our support for Senate Bill 1578A, which would make biomass an eligible green energy technology to meet the state's 1.5 percent investment requirement for new public buildings and major renovations.

The inclusion of biomass as an allowable technology is consistent with the goals of original green-energy legislation and subsequent amendments.

The Legislature passed HB 2620 in 2007 as a means of stimulating demand for solar technologies, fostering the growth of the state's solar industry, and lowering the carbon footprint of the state's buildings. A subsequent amendment in 2012 included geothermal technologies. The logic for now including biomass in the 1.5 percent requirement aligns perfectly with the goals of increasing green technology options for the end user and recognizes the diversity of Oregon's renewable resources.

In some communities and some buildings, solar technology is going to make the most sense. By allowing geothermal to qualify, the legislature recognized that, in some cases, geothermal would present the most compelling value proposition to the end user. In some communities and for some buildings, the most compelling and economically viable green technology option will be woody biomass.

The inclusion of green technologies at state facilities also helps promote the use of these technologies in the private sector. Adoption of new technology follows a predictable path, with early adopters and early market entrants clearing a path for others. This pattern holds true for solar, geothermal, biomass and other renewables.

With 20 existing woody biomass heat systems operating at public facilities across the state, Oregon has a strong track record of initial success, and we are poised for continued growth. We have facilities in all four corners of the state with strong performance. This helps potential end users understand that biomass technology is being used by their neighbors and colleagues. The inclusion of biomass in this state's 1.5 percent requirement would continue to enhance the map of facilities using biomass, making it that much easier to foster adoption by the private sector.



## Why the development of robust biomass markets is important

Biomass technology supports ongoing employment and forest health benefits. End users will need deliveries of biomass fuel for heating, cooling, and/or electrical generation. The ongoing demand for biomass fuel is a source of stable employment and a steady market for the by-products of forest management and wood products manufacturing.

Biomass heating, cooling, and electrical generation technologies offer mature, commercially-proven systems that operate at high efficiencies. Biomass heating systems offer efficiencies over 80 percent, and are fully automated, programmable, and low-maintenance.

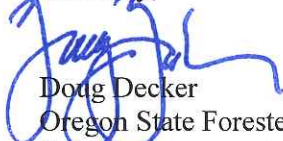
Oregon has ample supplies of woody biomass. These include wood pellets, wood fuel chips, and cordwood. Woody biomass is a by-product of active forest management and Oregon's forest products manufacturing industry. The use of woody biomass provides additional revenue to forest landowners, helping to keep working forests working. A strong market for residuals from the state's forest products industry improves the bottom line for sawmills, plywood plants and other primary manufacturers.

The use of biomass as a fuel for heating, cooling, or electrical generation also supports in-state manufacturing of woody biomass boilers and related components.

The 1.5 percent requirement can help us increase our energy independence and lower our carbon footprint. It can also stimulate new economic opportunity and employment in our communities. Adding biomass to the list of eligible green energy technologies will put green energy jobs within reach of many of our rural forest communities.

We thank you and look forward to any questions you may have.

Sincerely,



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