

## **The Benefits of Biomass Utilization – Hazardous Fuels Reduction**

Overcrowded forests and excess fuels increase the intensity of wildfires. An example of one such fire is the B&B complex fire which burned more than 90,000 acres on the Deschutes National Forest in 2003. The fire suppression costs for this fire exceeded \$38 million.



**View of Portion of B&B Complex Burn as Viewed from Hwy 20 West of Sisters, Oregon**

In 2014, the State of Oregon spent \$75.6 million on suppressing large fires. While Oregon was able to obtain an insurance policy from Lloyd's of London for the 2015 fire season, the premium nearly doubled from 2014 and the deductible increased from \$20 million to \$50 million. Oregon is the only state that buys firefighting insurance – *Insurance Journal April 6, 2015*

With another year of an ongoing drought and limited snowpack, Oregon forests could be in for another devastating fire season in 2015.

One of the ancillary benefits of biomass utilization for renewable electric energy is the reduction of hazardous fuels from overgrown forests. The areas that receive the greatest benefits from these fuels reductions are in the wildland urban interface (WUI). The woody biomass tax credit helps cover a portion of the expenses associated with these fuels reduction projects and allows for more acres to be treated.



**View of Demonstration Project area thinned with the help of Woody Biomass Tax Credits.**

At the inception of the woody biomass tax credit program in 2007 (HB 2210), biomass collectors and processors worked with federal, state, and private landowners to demonstrate that beneficial utilization of woody biomass generated from thinning projects could reduce treatment costs and increase the number of acres treated. The success of demonstration projects on the Deschutes National Forest resulted in increased stewardship projects on the forest and collaborative efforts by stakeholders. In 2010 these collaborative restoration efforts brought in a \$10.1 million federal award to restore 145,000 of forest lands in Central Oregon through the Collaborative Forest Landscape Restoration Program. Biomass utilization made possible by the woody biomass tax credit was an important factor in this award.

When the tax credit rate for woody biomass was reduced approximately 50% in 2011, the number and location of fuel reduction projects that could economically be completed were reduced dramatically. This is shown by the significant decrease in the amount of woody biomass tax credits certified for 2012 through the present. The other contributors to these projects, public and private landowners and the power generators, could not make up the shortfall left by the reduced tax credit. The extension of the woody biomass tax credit and restoration of an appropriate tax credit rate is an important investment in the restoration of the resiliency of Oregon's forests.