

Central Oregon Biomass Utilization, Barriers & Opportunities

Barriers	Opportunities
Workshop	
Electrical power markets are so depressed that it is hard for biomass energy to compete.	Oregon Public Utilities Commission (or other entity) to conduct a study on the societal and rate payer benefits of using biomass power. Then monetize those benefits to make it more competitive.
Most of the forested land in Central Oregon (approx. 70%) is federally managed and does not offer Renewable Identification Numbers (RIN) that are desired by biofuel projects.	Support change in policy to allow RINs to come from federally managed forests.
Need stable, long-term feedstock available for large capital projects.	Reduce restraints on federal land managers to release more waste material on a stable basis.
Need demonstration projects to exhibit the value proposition of biomass markets to end users.	Research and provide demonstration projects, especially with innovative products like biochar and bioproducts.
	Encourage existing companies to utilize their forest product residuals.
	Encourage new entrepreneurs and risk takers by providing grants, small business loans, and technical assistance.
	Learn from other regions in the world that have successful biomass markets.
	Increase research and development in Central Oregon on operations and implementation efficiencies on forest restoration projects.
	Increase feedstocks availability for both large and small businesses.
	Understand the supply needs of existing small businesses in order to make a compelling request to the federal land managers.
	Educate Collaboratives about our common goal of biomass utilization.
	People that are familiar with the benefits of biomass energy can vocally support good projects in order to address misperceptions and skeptics.

Barriers	Opportunities
Central Oregon Biomass Availability Report	
<p>The cost to collect, process and transport woody biomass material is significant. This severely limits transport opportunities to key urban markets like Portland.</p>	
<p>Wholesale market prices for renewable power have dropped considerably in recent years, limiting opportunities for existing facilities to operate at capacity (utilities seeking pay for curtailment arrangements) or new biomass power generation projects to be developed.</p>	
<p>Fossil fuel prices such as natural gas and propane have dropped precipitously in the last five years thus impacting the financial viability of alternative thermal energy projects using waste wood as the primary fuel source.</p>	
<p>The capital expenses associated with a commercial-scale value added utilization enterprise can be considerable. In order to secure financing, product offtake agreements for products produced are required (e.g., posts, poles, power, compost, advanced biofuels). Offtake agreements can be challenging to secure, for example, power purchase agreements for renewable power are not readily available at price levels that allow for financially viable operation.</p>	
<p>The economically available biomass estimate (181,683 BDT per year) is a conservative figure as it assumes that existing competition (inside and outside the TSA) will continue to be price competitive. New biomass utilization ventures within the TSA, if price competitive could outcompete existing users and have ready access to biomass volume exceeding 181,683 per year.</p>	