WWPI and TSRIA Comments to the Energy and Telecommunications Interim Committee 21 March 2014

The Western Wood Preservers Institute (WWPI) and the Treasure State Resource Industry Association (TSRIA) support the goals of Montana's Renewable Energy Portfolio Standard which generally are to incentivize use of renewable resources to produce power in order to reduce use and dependence on fossil fuels, reduce emissions of greenhouse gases (GHG), and improve Montana's economy. During the 2013 Legislative session, we supported SB 325 to include used treated wood within the definition of an "eligible renewable resource." This potential was greatly limited by insertion of language limiting use to "a facility that has a nameplate capacity of 5 megawatts or less."

Use of used treated wood as fuel supports goals of RPS.

- Use of material that otherwise would be a waste is "renewable."
- Wood is renewable. Carbon removed during growth is released when combusted.
- Plant to convert used treated wood into fuel in Montana would provide jobs and taxes.
- Use of treated wood derived fuel would off-set fossil fuel use, thus reducing anthropogenic CO_2 emissions.
- Energy production using treated wood fuel can operate 24/7, thus meet "base load" energy needs.
- Release of potentially hazardous emissions are minimized by existing DEQ and EPA regulations requiring air emission permits that require combustion and emission control systems appropriate for approved fuels.
- If used treated wood is not beneficially used as fuel, most will instead be disposed in landfills, thus contributing methane, a potent GHG, to the atmosphere as the wood anerobically decays and using valuable landfill capacity.

Facilities that are likely to use treated wood as renewable fuel to produce electric power.

Following are some examples of facilities that might use used treated wood derived fuel as a renewable source of energy.

- Direct combustion of treated wood – Wood fired boilers or other boilers that co-fire wood and fossil fuel. At least one facility in Montana already has a circulating fluidized bed combustion system with advanced pollution abatement that could co-fire treated wood with little or no modification.
- Pyrolysis facilities – Plants heat wood in absence of oxygen to product synthetic gas or bio-oil, either of which can be combusted as fuel to produce heat and/or power. Metals generally are not in the product gas or oil, but remain in the ash.
- Torrified wood pellets - Used railroad ties, for example, are ground, pyrolyzed, and formed into pellets that can then be used interchangeably with coal. Thus, a coal fired power plant could offset a portion of fossil carbon fuel with renewable bio-fuel.

The 5-MW facility capacity limit unnecessarily prevents most likely used treated wood fuel applications.

- Collection and conversion of used treated wood to chips is equipment and labor intensive. Economies of scale favor larger plants with higher throughput.
- Small power production plants of 5 MW or less are expensive to operate and generally cannot compete with larger, more efficient plants.
- Without this 5 MW cap, co-firing treated wood derived fuel in existing, large boilers with other wood, biomass, or fossil fuel would allow the larger facilities to shift a portion of their power generation to renewable fuel at minimal cost.

Recommendation

The Western Wood Preservers Institute (WWPI) and the Treasure State Resource Industry Association (TSRIA) urge the ETIC to consider legislative change that would eliminate the limit on use or at least change the limit to fuel contributing proportionally up to 5 MW (or a larger limit) of energy to a facility of any size. While a concern for toxic emissions is valid, please note that toxics control is the responsibility of the DEQ, who will require appropriate combustion and emission control equipment, monitoring, and reporting in accordance with a permit that they will issue. Expanding the potential for use of used treated wood as a renewable energy source in Montana will demonstrate that Montana is open to and supportive of innovative businesses that seek to offer renewable, low-carbon, economical sources of energy. We ask that the ETIC address this issue and recommend appropriate action to the 2015 Montana Legislature.