



Oregon Wood Energy Cluster: Lessons from the Beaver State

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Oregon Woody Biomass Summary

- 20 woody biomass boilers
 - Mainly public institutional facilities
 - 19 pellet, 1 chip system
 - Construction 2008-2012
 - ARRA, QZAB, other grants, loans
- 17 cogen facilities
 - 6 idle, several below capacity
- 10 pellet manufacturers
 - Service domestic and regional markets



Oregon Wood Energy Cluster Team

- Formed in 2012 as a pilot for the State Wood Energy Team “program”
- Team consists of USFS, BLM, ODOE, ODF, SNW
- Goal to develop clusters of projects focused on forest restoration activities
- Complement CFLRP projects and integrated campus approaches



Activities



- **Task 1:** Market Assessment and Evaluation
- **Task 2:** Cluster Identification and Feasibility Studies
- **Task 3:** Outreach and Information Sharing
- **Task 4:** Moving projects towards funding and construction

Complementary Activities



- ODOE – SNW: Thermal Energy Baseline for Oregon
- Biomass boiler workshops
- 3 Woody Bug Grants
- Comprehensive market assessment being completed by ODOE
- ODF Cohesive Wildfire Strategy
 - 4 additional feasibility studies funded

Feasibility Studies Funded

- Oregon Military Department, \$50,000
- Harney Community Energy, \$47,700
- Mt. Bachelor Resort, \$30,000
- Grant County Wood Energy Cluster, \$16,000
- Sisters Airport, \$15,000
- Wallowa Resources Community Solutions, \$9,300



Outcomes and Next Steps

- 4 of 6 projects demonstrate feasibility
- Moving projects towards financing and construction
- Market assessment has identified additional retrofit opportunities
- Pre-feasibility studies being conducted this summer



Conditions for Success



- Broad stakeholder engagement and community support
 - Agency, NGO, private
- Availability of financing
 - Grants, tax credits, low-interest loans, bonds
- Supportive policy environment
- Private sector expertise and motivation

Challenges

- Lack of up-front and construction capital
- Cheap and plentiful natural gas (and electricity)
- Getting candidates off the free money kick
- Low hanging fruit is gone
- Need to utilize restoration byproducts more
- Negative perceptions of biomass



Looking Forward

- Bundling projects for financial flexibility and greater return
- Heat utility model
- Attracting diverse financing sources
- Continued funding for OR-SWET
- State policy packages for 2015-2017





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Questions?

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