Oregon Wood Energy Cluster: Lessons from the Beaver State

Idaho Statewide Wood Energy Team Meeting
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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
• 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?