

# SENATE BILL REPORT

## SHB 1422

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As Reported by Senate Committee On:  
Natural Resources & Marine Waters, March 24, 2011

**Title:** An act relating to authorizing the department of natural resources to conduct a forest biomass to aviation fuel demonstration project to facilitate Washington leading the nation in aviation biofuel production.

**Brief Description:** Authorizing a forest biomass to aviation fuel demonstration project.

**Sponsors:** House Committee on Technology, Energy & Communications (originally sponsored by Representatives Stanford, Orcutt, Chandler, Warnick, Van De Wege, Green, Smith, Jacks, Blake, Sullivan, McCoy, Kretz, Tharinger, Ryu, Short, Sells, Lytton, Lias, Frockt, Moscoso, Billig, Probst, Rolfes, Dunshee, Maxwell, Upthegrove and Kenney; by request of Commissioner of Public Lands).

**Brief History:** Passed House: 2/22/11, 93-1.

**Committee Activity:** Natural Resources & Marine Waters: 3/14/11, 3/24/11 [DPA].

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### SENATE COMMITTEE ON NATURAL RESOURCES & MARINE WATERS

**Majority Report:** Do pass as amended.

Signed by Senators Ranker, Chair; Regala, Vice Chair; Morton, Ranking Minority Member; Fraser, Hargrove and Swecker.

**Staff:** Sherry McNamara (786-7402)

**Background:** The Department of Natural Resources (DNR) manages 5.6 million acres of forest, range, agricultural, aquatic, and commercial lands for the people of Washington. Much of this land, 3 million acres, is state trust lands that provide revenue to help pay for construction of public schools, universities, and other state institutions, and fund services in many counties.

In 2009 the Legislature authorized DNR to conduct two biomass demonstration projects, one east and one west of the Cascade mountains. The demonstration projects were designed to:

- reveal the utility of Washington's public and private forest biomass feedstocks;
- create green jobs;
- generate renewable energy;

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- generate revenues or improve asset values for beneficiaries of state lands and state forest lands;
- improve forest health;
- reduce pollution; and
- restore ecological function.

In designing the demonstration projects, DNR is required to avoid interfering with the current working area for forest biomass collection surrounding an existing fixed location biomass energy production site.

Forest biomass is residual biomass material generated from logging or thinning activities on forests, which consists of branches, tree tops, and needles.

**Summary of Bill (Recommended Amendments):** DNR and the Department of Commerce are authorized to cooperate and consult with the University of Washington (UW) and Washington State University (WSU) in their development of forest biomass to aviation fuel by:

- identifying opportunities for state lands to generate trust income;
- identifying the most cost effective, efficient, and ecologically sound techniques to deliver forest biomass from the forest to the production site;
- exploring linkages with other biofuel efforts;
- entering into partnerships with research universities and the private sector to conduct a pilot project; and
- identifying and applying for funding sources.

DNR is required to report to the Governor and the Legislature:

- by December 1, 2011, on activities pertaining to forest biomass to aviation fuel, including expenditures and revenue sources;
- by December 1, 2011, and December 1, 2012, a summary of research activities, scientific reports, and pilot projects, including the status of ongoing activities and summaries of the findings with their implications for management of forest trust lands; and
- by December 1, 2011, and December 1, 2012, on the progress of the Forest Practices Board's Forest Biomass Policy Work Group consideration of the science, policy, available technologies, and best management practices related to forest biomass harvest, including final recommendations to the Forest Practices Board.

If a state university or foundation derives income from the commercialization of patents, copyrights, proprietary processes, or licenses developed by the forest biomass to aviation fuel demonstration project, a percentage of that income, proportionate to the percent of state resources used in the development must be deposited in the state General Fund.

**EFFECT OF CHANGES MADE BY NATURAL RESOURCES & MARINE WATERS COMMITTEE (Recommended Amendments):** Authorizes DNR and the Department of Commerce to cooperate and consult with UW and WSU in their development of forest biomass to aviation fuel by:

- identifying opportunities for state lands to generate trust income;

- identifying the most cost effective, efficient, and ecologically sound techniques to deliver forest biomass from the forest to the production site;
- exploring linkages with other biofuel efforts;
- entering into partnerships with research universities and the private sector to conduct a pilot project; and
- identifying and applying for funding sources.

Requires DNR to report to the Governor and the Legislature:

- by December 1, 2011, on activities pertaining to forest biomass to aviation fuel, including expenditures and revenue sources;
- by December 1, 2011, and December 1, 2012, a summary of research activities, scientific reports, and pilot projects, including the status of ongoing activities and summaries of the findings with their implications for management of forest trust lands; and
- by December 1, 2011, and December 1, 2012, on the progress of the Forest Practices Board's Forest Biomass Policy Work Group consideration of the science, policy, available technologies, and best management practices related to forest biomass harvest, including final recommendations to the Forest Practices Board.

Requires a percentage of the income, proportionate to the percent of state resources, derived from the investment of state resources in the development of patents, copyrights, proprietary processes, or licenses developed by the forest biomass to aviation fuel demonstration project to be deposited in the state General Fund.

**Appropriation:** None.

**Fiscal Note:** Available.

**Committee/Commission/Task Force Created:** No.

**Effective Date:** Ninety days after adjournment of session in which bill is passed.

**Staff Summary of Public Testimony on Substitute House Bill:** PRO: This legislation pushes us forward in developing new technologies and opening the door to an aviation biofuel sector in our state. There is a unique opportunity before us to establish a renewable fuel for a very important industry in our state, aviation. This bill will establish a demonstration project that will produce a worthwhile, high-value product. We need a sustainable, renewable aviation fuel that is less carbon intensive. Research has shown biofuel from forest waste has met and exceeded expectations in flight performance. We can benefit from this bill, by increasing the number of jobs in the timber industry and becoming less dependent on foreign fuel. This bill and the grant that WSU has applied for are compatible and will help produce the next generation biofuels for aviation.

**Persons Testifying:** PRO: Representative Stanford, prime sponsor; Commissioner Goldmark, Craig Partridge, DNR; Larry Brown, Machinist Union, Bob Guenther, International Brotherhood Electrical Workers 77; Sean O'Sullivan, Association of Western Pulp and Paper Workers; Mike Hurd, Boeing; Dan Coyne, WSU; Stephen Bernath, Department of Ecology.