Sandoval County Regional Biomass Working Group

Friday, February 9th 2018

Action Items:

- Small Group Meeting March 9th 10:00 – 12:00 (Sandoval County Economic Alliance, Forest Service, etc.)
- Next Working Group Meeting March 16th 10:00 – 12:00 Sandoval County Complex

Supply:

- Desperate need to find a way to facilitate the removal of forest produces
- US Forestry division currently has no use for small diameter and brush materials
    - Currently left onsite or burned
    - Costs millions of dollars in landscape planning
    - 60-70% of biomass is currently left onsite
- Less federal funds for restoration vs fire suppression
- Projected need for 80 – 85K tons per year of feedstock to incentivize a value-added product
- New Mexico forest utilization has been limited compared to other states.
    - Smaller diameter of trees cut means less valuable products able to be produced
    - Sometimes the entire tree is virtually unusable
    - Markets for smaller wood produced are limited
    - Transportation costs are high due to terrain and location
- In the Northwest, large diameter trees are more abundant
    - Mills will pay the forest service for trees
    - Forest service uses logging as a revenue source vs a cost

Biomass Facilities:

- 3 sites under consideration for the biomass facility
    - County Landfill in Bernalillo
    - East side of Sandia mountains
    - Cuba, NM
- Location is key for access to feedstock
    - Centralized location between feedstocks to minimize shipping costs
    - Trucks are limited to 11 hours per day drive times regardless of number of trips completed
    - 2 trips per day are needed to be cost effective
    - Changing rail lines with shipping containers dramatically increases shipping costs
    - Possible added value of chipping on site
- Goal to produce a public/private partnership run biomass facility which doesn't compete with regional businesses.
- Long term supply estimates needed for private development
- Currently there isn't a method in the state to utilize whole trees (stems etc.,)

- Whole tree utilization would access 30% of total feedstock supply potentially subsidizing Biomass plant costs.
- Added value related to Co-Gen electricity production (Ex, production of biochar with electricity production from chipped Woodstock)

Funding:

- Department of Defense manages large forested areas across the country
  - Currently awarding long-term contracts for biomass projects as part of 2025 renewable energy initiatives.
  - DOD demand for biofuel to meet 2025 initiatives is a resulting in a premium price for feedstock vs market value.
- Additional Funding Sources
  - AZ currently subsidizes electricity by using voluntary options on power payments for individual homes
  - NM state subsidy
  - USAID
- External Costs
  - Costs include staff, maintenance, taxes, insurance
  - High state workman's comp rate in NM limits forestry contractor activity (16% vs 6% in other states)
  - Insufficient workforce capacity is a major barrio to biomass development across the state