

**MINNESOTA FOREST RESOURCES COUNCIL
Policy Committee**

10:00 am – 12:00 pm
Thursday, October 28, 2021

Join Zoom Meeting

<https://umn.zoom.us/j/92767184276>

Meeting ID: 927 6718 4276

NOTES

Members present: Craig Engwall (Chair), Mike Kilgore, John Fryc, Rick Horton, Brendan Jordan (Alternate), Stephanie Pinkalla (Alternate), Amber Ellering (Alternate), Katie Fernholz, Mike Birkeland

Absent: Jim Manolis, Pete Aube, Bob Owens, Keith Karnes

Staff present: Eric Schenck, Sadie Mathison

Guests present: Jim Hawkins – Sierra Club, Bill Pollnow – Sierra Club

MFRC Update (Eric Schenck)

Eric provided an update on current activity within the Council that included the announcement that the legislature reauthorized SFRA last session and that MFRC is engaging Council members to identify priority policy topics and SFRA updates. Eric stated staffing capacity is severely limiting, the Policy Analyst position has been vacant for more than 2 years, and there is a goal to have positions filled by this time next year.

MFRC Policy Platform Framework (Craig Engwall)

Craig reviewed the MFRC's statutory assignment to provide recommendations to the governor and policy makers and stated that one of the goals was to be more assertive and to make clear policy recommendations. He stated that this is difficult because legislation is specific and moves quickly. Brendan is going to talk about biomass/residuals next and he is hoping to use this issue to model a process for addressing issues going forward.

MFRC Issue Brief—Woody Biomass/Residuals (Brendan Jordan)

Brendan presented the two issues associated with the woody biomass/residuals topic: definition of appropriate biomass inputs for energy products and the extent to which the state supports new markets for wood. He believes there is broad acknowledgement of the excess of residuals and support for new markets for residual and underutilized wood, but a lack of alignment around the means to get there. Brendan hopes to have a conversation around an agreement on the desired outcome and then address the means to get there. Brendan observed that looking at the SFRA, the Council is tasked with making recommendations and broadening public involvement. He would like to bring in a broad range of voices to the table. Brendan paused for committee discussion.

Points discussed:

- The importance of agreement upon what constitutes biomass and what sustainable safeguards are in place or need to be added. Once there is consensus on those topics, there is the issue of the need for markets to support the harvest and collection of the woody biomass.
- There was clarification that in the past, the Council created the woody biomass guidelines to address the concerns around sustainability and safeguards. These guidelines should not be included in any legislation because once they are mandated, they are no longer voluntary.
- Another point was made that any attempt to define biomass will constrain it. Also stated was that this is what killed the renewable fuel standard and led to the inability to use woody biomass for liquid fuels under the Energy and Security Act of 95.
- Subsidies would create unfair competition for raw materials leading to the use of roundwood for biomass.

Craig reminded the group that the purpose of the discussion is to develop a framework for making meaningful recommendations.

Further discussion points:

- Suggestion to have broad positions and policy papers that provide advice. As far as reacting to legislation, it is best to offer pros and cons on a bill and not take a position unless there is 100 percent consensus among Council members.
- Define the end game goal. Once that is in place, the path forward with recommendations and policy approaches will be clear.
- Biomass utilization can help meet several goals including reduction in the use of fossil fuels and greenhouse gas emissions, the economic goal of attracting more industry to Minnesota, forest health and management goals, and a way to utilize salvage materials from insect, disease, and blowdown. Biomass could help accomplish economic, ecological, and social goals in the state.
- Suggestion that the committee use this forum to frame Minnesota's goal regarding biomass and then figure out how to address that and make a meaningful recommendation.
- There is a need to expand staff and capacity within MFRC before we can get to the point of making recommendations.
- Support for bringing in experts to talk more about this, but outside organizations should communicate their opinions to their representatives on the Council. It is incumbent upon members of the Council to reach out to the people they represent to get their opinions.

- Gather background data on biomass supply, markets, and opportunities. In the past, biomass was the most expensive energy in Minnesota. MN is not cost competitive on biomass and is lacking a market that makes the material valuable.
- There was a question to Eric about the possibility of getting some current data, facts, or a whitepaper on the table. The Council has the financial resources to contract that out. If we can frame the issue of our needs and if there are people out there that can help us, we have the financial resources, however it is laborious to get through the contracting process.
- Requested data includes raw material by category. For example, what is the existing mill residual stockpile, and what is the annual production/annual addition to the stockpile. The amount of available slash for typical logging can be estimated and extrapolated out to what logging is done. How much supply annually from underutilized EAB wood and eastern larch beetle-killed tamarack – the annual addition of supply to the gross amount of raw material available. Any industry interested in building a facility in Minnesota will need to know what the raw material supply looks like.
- A definition of what kinds of materials constitute residuals would be helpful.

Sustainable Forest Resources Act Update (Eric Schenck)

Reporting on the initial conversation around looking at the language in the SFRA to see if there are sections in the Act that deserve attention, Eric said this has been done informally and there is potential for a formal review. There has been discussion of broadening the membership to include other voices. Another area of discussion involves making sure the language reflects our concerns going forward in terms of priorities and responsibilities. There is nothing in the works for this coming legislative session.

Forest Caucus Update (Eric Schenck)

The idea for the Forest Caucus is a bicameral, bipartisan informational caucus, not a voting caucus. The two co-chairs (one R and one DFL) would help set an agenda of information topics and help recruit and encourage participation amongst the legislative body. Some things leadership could do is to invite new legislators to make sure some of the forest related issues are being addressed by the various committees, help the legislative body gain access to good science-based information for a balanced voice to subjects. Eric hopes to have an unveiling at the capitol near the start of the legislative session. He is relying on members of the Council to help reach out to the right legislators to build interest.

There was a suggestion from the committee that it would be helpful to point out to legislators the small sawmills, paper companies, and other primary and secondary manufacturers in their districts.

Public Comments, Agenda Items for Next Meeting

Eric stated the importance of keeping the entire Council body educated and help them be good representatives of their stakeholders.

In response to a question regarding how information from this discussion might be presented at the November meeting, Eric stated that there is a need for the expression of goals and to identify the areas

that require focused attention to bring common understanding. He suggested that someone frame this up in a way that is useful to help the Council understand the topic.

Final comments included a need to focus on the climate change report and form policy around the recommendations, and a suggestion that in the staff shortage, committee members should consider pulling information together and outlining a position paper.

Meeting adjourned.