

January 19, 2022

Representative Rick Hansen  
Chair, House Environment and Natural Resources Finance and Policy Committee  
407 State Office Building  
St. Paul, MN 55155

Re: EAB and Wood Waste Management

Dear Chair Hansen,

The Partnership on Waste and Energy (Partnership) is a Joint Powers Board of Hennepin, Ramsey and Washington counties, formed to address waste management and energy issues. The Partnership seeks to end waste, promote renewable energy and enhance the health and resiliency of communities we serve.

Emerald ash borer (EAB) is now identified in 30 Minnesota counties and continues to spread. Communities are removing and replacing ash trees to slow the spread of EAB as quickly as funding allows. Properly managing the surge of waste wood created as we battle EAB is a priority concern of the Partnership.

The Partnership urges the 2022 legislature to act on three fronts to responsibly address EAB waste management challenges.

- 1) Fund EAB management at the community level, matching the scale of the problem.
- 2) Act to enable the continued use of wood waste as a biomass energy source at the St. Paul Cogeneration facility (SPC) while additional management options are developed.
- 3) Provide leadership to, and oversight of, state agencies in a coordinated planning process focused on wood waste management, similar to other waste streams, to develop additional management capacity and best-use options for wood waste.

### **Funding Community-level EAB Management**

The \$3.4 million allocated by the legislature to community grant programs in FY 2022-23 and the \$3.5 million of LCCMR funding for community level work sends a signal that the legislature has joined the battle. The Partnership is grateful for this.

This initial investment begins to address the need for community level response to slow the spread of EAB, plan for canopy preservation and transition and cope with the aftermath of removing and managing EAB-infected trees. These are important strategies to avoid overwhelming the existing capacity for wood waste management. Community grants administered by the Departments of Natural Resources and Agriculture are critical, as communities are under-resourced to respond on their own to EAB.

**The Partnership encourages supplemental funding in the current biennium and on-going funding at or above the \$8.5 million annual minimum** called for in the Minnesota Environmental Quality Board's (EQB) 2019 report, *Emerald Ash Borer in Minnesota*. Even greater levels of funding should be considered, given the urgency and magnitude of the challenge and the growing number of counties where the insect is being discovered, threatening many thousands more ash trees with infestation every year.

### **Long-term Solutions for Wood Waste Use at St. Paul Cogeneration (SPC)**

District Energy's St. Paul Cogeneration (SPC) facility is the only practical outlet at this time to manage the hundreds of thousands of tons of wood waste generated each year. Yet we came perilously close to losing this critical waste management and biomass energy resource, and we are not yet past the risk of that happening again.

The 2021 legislature approved of a process for addressing the expiration this year of the power purchase agreement (PPA) between Xcel Energy and SPC. The Public Utilities Commission (PUC), in turn, has recently approved a short-term PPA through the end of 2024. This gives communities, counties and tree management companies a lifeline to continue to responsibly manage the growing volumes of dead and dying ash trees in the near term.

However, District Energy's ability to continue to provide this critical function for local governments and the private sector is uncertain after 2024. The legislation passed in 2021 provides for electrification solutions that could displace energy generated from wood waste over time. It also calls for mechanisms that will, in effect, shift the cost of providing fuel to generate electricity from those selling the electricity to those providing the fuel.

We simply cannot afford to lose SPC as a wood waste management option. The EQB report cited above notes that the existing options to use waste wood—including biomass facilities—are inadequate to handle the volume of wood waste created by EAB. Losing SPC would significantly exacerbate the problem.

Local governments are not prepared for, nor able to bear, a dramatically higher cost of wood waste management on top of other costs to respond to EAB. Straining local resources for EAB management risks spreading EAB and encouraging poor management choices, such as stockpiling and open burning. This poses significant public health and safety threats and squanders the value of the wood resource.

There will soon be a need for outside support of SPC for processing wood into energy. The EQB has recommended one possible solution that could help: implementing incentives for existing biomass energy facilities to use ash wood.

**The Partnership strongly encourages biomass incentives be implemented for St. Paul Cogeneration.** Other solutions can also be pursued, but an incentive approach is relatively easy to implement and will be effective while other more time-intensive solutions are pursued.

### **State Leadership on Wood Waste Management Planning**

Counties are charged by state law with the responsibility of managing solid waste. Local governments face a growing burden to remove and replace ash trees and properly manage the surging volume of wood waste across the state. EAB is already challenging local capabilities, and as such the state needs a larger policy, planning and management framework for wood waste.

The Partnership supports the multi-faceted response outlined in the EQB's report. However, the report does not provide specific policy recommendations that fit the scale of the wood waste management problem created by EAB. A much more extensive approach is needed.

New, innovative technologies and markets can be explored to address wood waste, alongside expansion of familiar ones. Even if SPC's ability to use wood waste does not significantly diminish or disappear, its current capacity is insufficient to manage the state's volume of wood waste over the longer term. It will take time to identify additional facilities and determine who will design, build, own and operate them.

The lack of a policy and planning pathway is a barrier for development of alternatives. Businesses will not take the risk to invest without knowing a supply of wood is reliable, that the economics work and that there are viable markets. Development of such a pathway will take time, and at this point in the EAB infestation, it cannot wait.

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The Partnership strongly supports state action to provide a clear pathway and properly aligned funding, while bringing to bear new and emerging technologies consistent with state waste management and energy goals. This should be done in tandem with broader state-level planning and response for managing the threats posed by EAB.

**The Partnership urges that a state agency be identified to lead a coordinated, inclusive planning process focused on wood waste management and prepare a collaborative, statewide EAB waste management plan. The Partnership suggests that the Minnesota Pollution Control Agency take the lead in this, with counties, cities, other agencies and others as active partners and stakeholders.**

This process will be more effective than the piecemeal responses counties, cities and private sector interests are able to make individually. Unlike the extensive public sector planning that has occurred for other waste streams in the state, there are no comparable policies and plans for wood waste.

In sum, the wood waste challenge due to EAB is urgent and has many stakeholders. It affects multiple levels of government with no system in place to address the large and growing volume of material in the short period of time we have to respond. EAB-related wood waste should be managed responsibly and treated as a resource with value. There is need for state financial support and a collaborative plan to move in that direction, so solutions for wood waste management can be developed as part of a broader waste and resource management system.

The Partnership stands ready to work with the Chair, the committee, state agencies, communities and the private sector to pursue the multitude of solutions needed to respond to EAB and manage the wood waste it is creating.

Sincerely,



Commissioner Fran Miron, Washington County  
Chair, Partnership on Waste and Energy

Cc. Peter Strohmeier, Committee Administrator  
Commissioner Debbie Goettel, Hennepin County  
Commissioner Victoria Reinhardt, Ramsey County  
House Environment and Natural Resources Finance and Policy Committee members