

February 23, 2023

To:

Representative Rick Hansen, Chair, House Environment & Natural Resources Finance & Policy Committee
Representative Samantha Vang, Chair, House Agriculture Finance & Policy Committee
Representative Liz Olson, Chair, House Ways & Means Committee
Senator Aric Putnam, Chair, Senate Agriculture, Broadband, and Rural Development Committee
Senator Nick A. Frentz, Chair, Senate Energy, Utilities, Environment, and Climate Committee
Senator Fong Hawj, Chair, Senate Environment, Climate, and Legacy Committee
Senator John Marty, Chair, Senate Finance Committee

Re: Critical Decision Point for St. Paul Cogeneration and Wood Waste Management

The Partnership on Waste and Energy (Partnership) is a Joint Powers Board consisting 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 while advancing equity and responding to the challenges of a changing climate.

The Minnesota Solid Waste Administrators Association (SWAA) is an organization of county, solid waste district and affiliated professionals and is an affiliate of the Association of Minnesota Counties (AMC), which represents all 87 Minnesota counties. SWAA advocates for policies and funding that improve and promote responsible waste management and reduce environmental impacts of solid waste.

The Partnership and SWAA urge the 2023 legislature to provide financial solutions to enable the continued use of wood waste as a biomass energy source at District Energy's St. Paul Cogeneration facility.

Emerald ash borer (EAB) is now identified in 38 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.

District Energy's St. Paul Cogeneration (SPC) facility is the only practical outlet at this time to manage hundreds of thousands of tons of wood waste generated each year. We recently came perilously close to losing this critical waste management and biomass energy resource, and despite legislative action in 2021, we are again at risk of that happening again.

The 2021 legislature approved a process for addressing the expiration of the power purchase agreement (PPA) between Xcel Energy and SPC in 2022. The Public Utilities Commission (PUC), in turn, approved a short-term PPA through the end of 2024. This has given 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. We simply cannot afford to lose SPC as a wood waste management option.

PARTNERSHIP ON WASTE AND ENERGY
HENNEPIN | RAMSEY | WASHINGTON

100 Red Rock Road | Newport, MN 55055
info@recyclingandenergy.org | 651-768-6670

The 2019 Environmental Quality Board (EQB) report *Emerald Ash Borer in Minnesota* 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.

An October 2022 study completed by Cambium Carbon for PWE estimates that SPC is currently managing approximately 2/3 of all of the tree waste generated in and around the Twin Cities metro region. The study concluded that without SPC’s processing capacity, “it is impossible to absorb current material volumes through other offtake channels.”

Without SPC, local government and private tree owners face nearly impossible choices to manage the increasing volume of EAB-infested tree waste, risking further spread of 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.

The need is urgent for state support of SPC for processing wood into energy. The EQB report recommended one solution that could help: implementing incentives for existing biomass energy facilities to use ash wood.

The Partnership and SWAA strongly encourage biomass incentives or other financial solutions be implemented to maintain St. Paul Cogeneration’s capacity to use wood waste as a biomass energy source. The approach needs to be relatively easy to implement to keep this critical management path viable while other solutions to manage the growing volumes of wood waste are pursued.

EAB-related wood waste should be managed responsibly and treated as a resource with value, not lost to open burn piles that threaten air quality and public health. New, innovative technologies and markets consistent with state waste management and energy goals must be explored, alongside expansion of familiar pathways.

It will take time to identify additional facilities and determine who will design, build, own and operate them. The several years required to build out additional management options is a key reason why financial solutions for SPC are needed now, this session.

The Partnership and SWAA stand ready to work with you, your committee members, state agencies, communities and the private sector to pursue the multitude of solutions needed to respond to EAB and manage the resulting wood waste. We strongly encourage legislative action this session to provide the funding solution critically needed to buy the state more time to develop a variety of longer-term solutions to manage this decades-long wood waste challenge brought about by EAB.

Sincerely,

Commissioner Debbie Goettel, Hennepin County
Chair, Partnership on Waste and Energy

Commissioner Laine Sletta, Brown County
President, MN Solid Waste Administrators Assoc.

cc: House and Senate Committee members
Representative Melissa Hortman, Speaker of the House
Senator Kari Dziedzic, Majority Leader
Representative Jamie Long, Majority Leader