



MICHIGAN CHAPTER

April 1, 2010

Ed Rice, Executive Director
Traverse City Board of Light & Power
1131 Hastings Street
Traverse City, Michigan 49686

Dear Mr. Rice,

This letter is on behalf of the Sierra Club Michigan Chapter, representing 25,000 members and supporters statewide, and hundreds of members within the Traverse City Board of Light & Power service area. We congratulate TCL&P on its efforts to reduce greenhouse gas emissions while meeting the power needs of its customers. We are concerned, however, that not all the effects of current proposals have been adequately scrutinized.

Therefore, we would ask that TCL&P conduct a thorough Michigan Environmental Protection Act (MEPA) analysis of all options before moving forward. We note that other power providers in the state have been asked to undertake needs assessments and alternatives analyses of proposed generation sources. When done well, these analyses provide both regulators and the public with an opportunity to critically review and provide substantive input regarding the range of options for meeting the electric energy demands of the future. Such analyses will allow the utility and its owners/customers to judge with more comprehensive and relevant information what the best options are for future investments.

In particular, we would ask that the following items be analyzed:

- 1) How much of your future energy needs can be addressed through efficiency measures.
- 2) A thorough assessment of biomass availability. We note with concern that currently, TCL&P has 2 biomass availability assessments. Both, apparently at the request of TCL&P, looked at 5 potential biomass sources. None of these assessed sources includes standing timber, which appears to be the most likely actual source of fuel. We would ask that a realistic availability assessment be prepared, including standing timber as a source, unless TCL&P will assure the public that standing timber will not be used as a fuel for any biomass proposal. For if standing timber is a potential source, and its availability was not included in either previous assessment, then neither the public nor TCL&P has had an opportunity to form informed opinions regarding biomass fuel generation.

Such an assessment must look at not simply how much forest growth occurs within the procurement area, but how much is actually available for purchase. There is almost no industrially owned timber land in the area. Most private timber land is small parcels, and most of the owners of those parcels are not interested in industrial harvest of their wood. So this assessment must go beyond meaningless "growth over harvest" figures, and look instead at actual availability.

The surest measure of actual availability would be to distribute an RFP soliciting commitments for long-term supplies of timber at the price point necessary to generate at 8.2 cents/Kw (TCL&Ps projected cost). Failure to secure such a long-term commitment would be a clear indication that there is not enough timber available at the price point needed.

Such an assessment must also look at long-term land ownership trends. As continued rural residential development occurs, more land will be removed from the timber base. This will affect prices and availability of wood.

The analysis must also look at the cumulative effects of the large number of proposals for woody biomass utilization in the area. DLEG estimates 162 MW of proposed biomass power generation in the northern Lower Peninsula. At (conservatively) 10,000 acres of growth per MW, this means 1.62 million acres of forest growth are proposed for biomass power generation. This does not include the 1 million acres proposed for use by Frontier Resources in Kinross in the Upper Peninsula, which includes a proposed procurement area including most of the forest land identified by TCL&P for procurement as well. The analysis must look at these effects on price and availability of wood.

3) An assessments of the effects of adding this much more pressure to current forest harvest. In particular, this effects analysis must, at a minimum, look at:

a) How far the current forests in the area deviate from natural age-class and species distribution of forest types.

b) Whether the added pressure from a potential TCL&P s plant would move forests toward, or away from, natural distributions.

c) What plant and animal species depend upon older, more mature forest types. The analysis must assess the effects of increased harvest pressure for young forest on these species.

c) What the species mix would be to supply such a plant.

d) What land ownership would be the most likely to be the primary supplier.

e) The effects of sourcing wood which is certified by FSC vs. wood which is not. It should be noted that very little of the private and none of the federal ownership in the area is certified.

4) An assessment of the greenhouse effects of a biomass plant fueled by standing timber. In particular, since burning wood is not carbon neutral by any means, the assessment must examine the following:

a) The carbon footprint long-term.

b) The carbon footprint short term, as millions of tons of currently sequestered carbon is released. This is especially important given many projections that the next half-century is crucial in fighting climate change.

c) The greenhouse effects of other gases, such as N₂O, which are released by burning wood and are many times more potent than CO₂. The analysis must include amounts and multipliers of these more potent greenhouse gases.

As described earlier, we applaud TCL&P's efforts to reduce greenhouse effects. However, to move forward with a woody biomass proposal utilizing standing timber without doing the above described analyses would be a disservice to TCL&P rate payers, as well as the citizens of the state which will be providing the materials and feeling the effects of such a project.

Please feel free to contact me if you have any questions. We are eager to work with TCL&P as you strive to meet the goals of reduced greenhouse gas emissions.

Sincerely,

/s/

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cc: Mayor Chris Bzdok
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