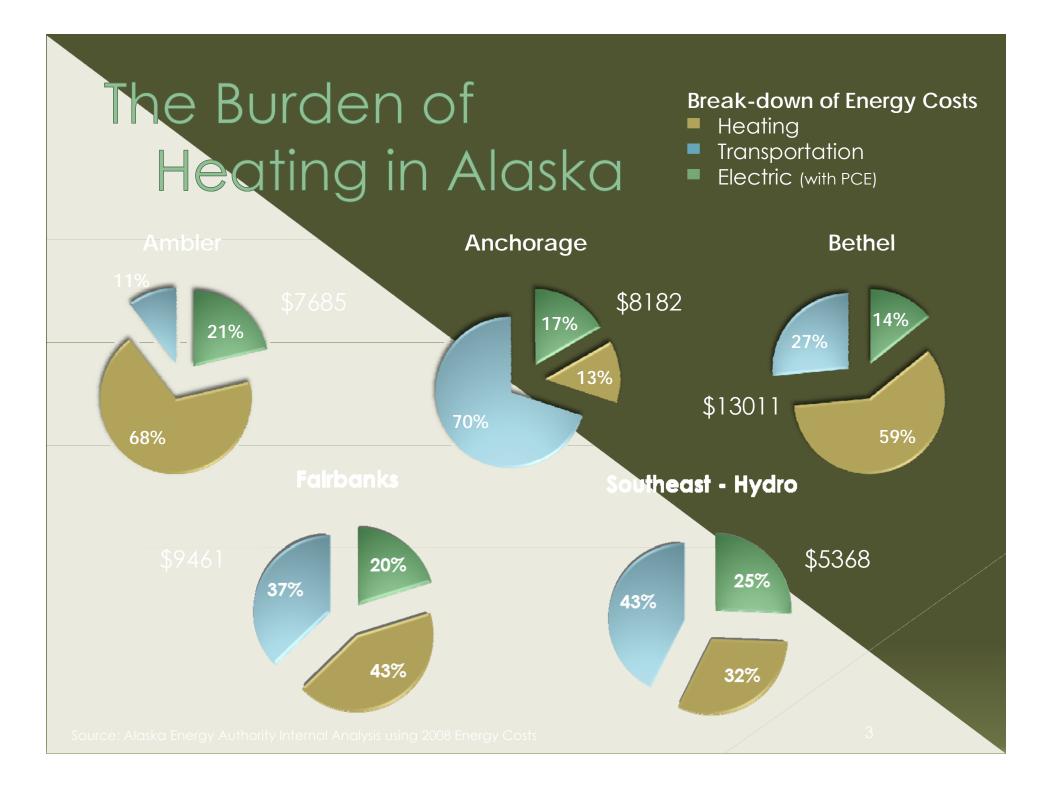
# Biomass - Reducing the Cost of Heat in Alaska

Devany Plentovich Alaska Energy Authority March 2011

### Agenda

- Heating Costs in Alaska
- Technology options
  - > Biomass
    - Cordwood
    - Chips
    - Pellets
  - > District Heating Infrastructure
  - > Other Heating Technologies
  - Combined Heat and Power
- Economic Development Opportunities
- Regional Planning
- EPA Biomass Boiler Emissions Rules









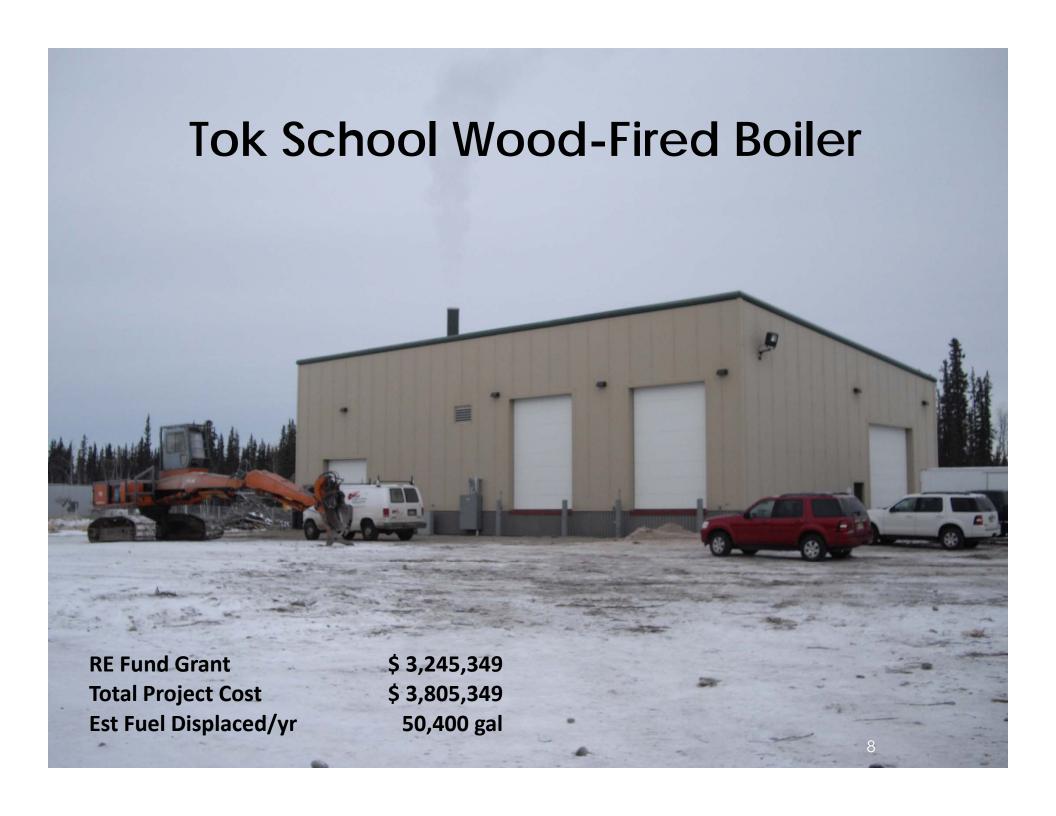
RE Fund Grant \$500,000 Total Project Cost \$500,000

Est Fuel Displaced/yr 14,600 gal

2010 (Oct-Dec) ~3,000 gal







#### Pellet Boilers

#### Sealaska Plaza

Total Project Cost \$ 1,400,000 (efficiency upgrade, transportation)

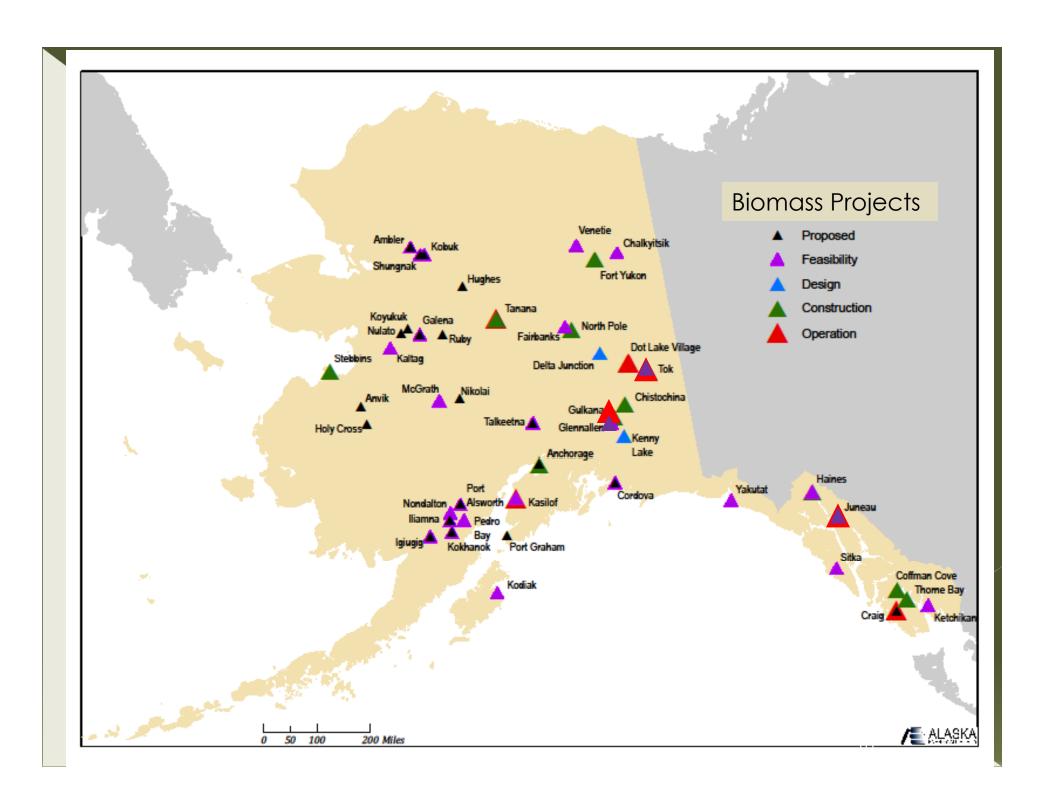
Est Fuel Displaced/yr 35,000 gal

5000 gal









## District Heating Systems

- Basic Infrastructure that provides heat to multiple buildings
  - > Heating Source (diesel generator, biomass, etc.)
  - Heat Exchangers
  - Circulating pumps
  - Underground piping
  - **Controls and Meters**
- Flexible
  - > Can provide heat from multiple, different sources
  - Power systems can be added in the future
  - Can be expanded to grow with a community

## Other Heating Options

- Diesel Generator Heat Recovery Systems
- Electric Boilers
  - Excess hydroelectric or wind power to heat community buildings or district heating systems
  - > Aides in grid stabilization
- Ground Source Heat Pumps
- Industrial Heat Recovery
  - North Pole Refinery condenser heat is used to heat turbine building



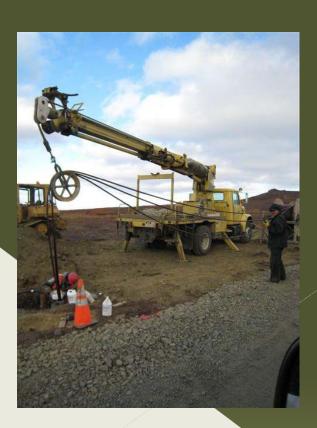


#### Combined Heat and Power

- Production of electricity and useful thermal energy from a single source of energy
- Small scale biomass technology (less than 2 MW) is emerging
- Demonstration Projects
  - > Renewable Energy Fund
    - Cordova (Diesel)
    - Unalaska (Diesel)
    - Kotzebue (Diesel)
    - Chena Power (Biomass)
  - > Hoonah Micro-Scale
- Continuing to monitor technology development

## Economic Development

- Lowers energy costs, maintains cash flow within a community, and increases independence
- Jobs Creation
  - > Construction
  - > Operation/Maintenance
  - > Harvest/Thinning/Resource Management
- Business Opportunities
  - > Equipment Suppliers
  - Construction/Maintenance Services
  - > Heat Utilities
  - > Wood Pellet Manufacture
- Forest Products Industry Support
  - > Use for sawmill waste
  - Use for forest health/thinning residue



## Next Steps – Regional Planning

- Continue to conduct outreach to educate communities on heating opportunities
- Incorporate Biomass and other heating options into the SEIRP
- Initiate additional feasibility studies for biomass and diesel heat recovery
- Pursue partnerships and funding opportunities for design/construction of viable projects

## A Quick Word on EPA Boiler Emission Rules

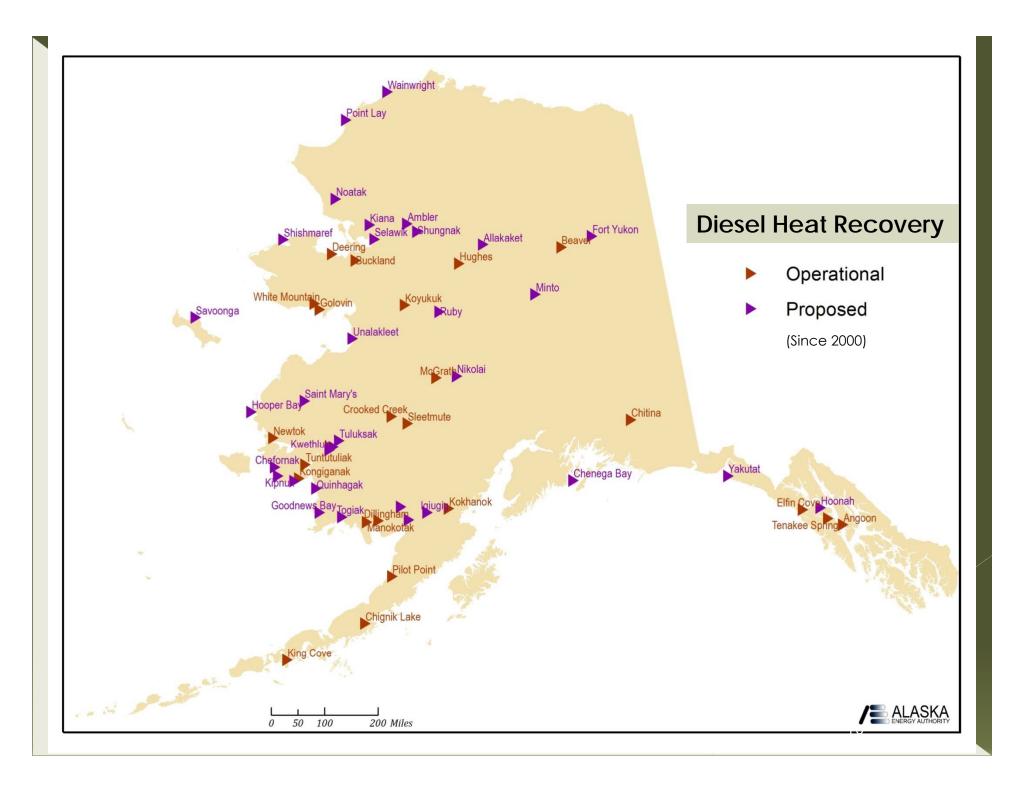
- June 2010 EPA released biomass, coal, and oil boiler emission rules for comment
  - > Annual stack testing for all boilers.
  - > Emissions limits for new boilers
  - > EPA received over 4000 comments
- Dec 2010 EPA requested an additional year to rework standards based on comments
  - > Courts allowed 30 days
  - > Revised rules released Feb 2011
- New Rules Impact to Biomass in Alaska
  - > Small Boilers boiler tune-up every 2 years
  - > Future opportunity for more input

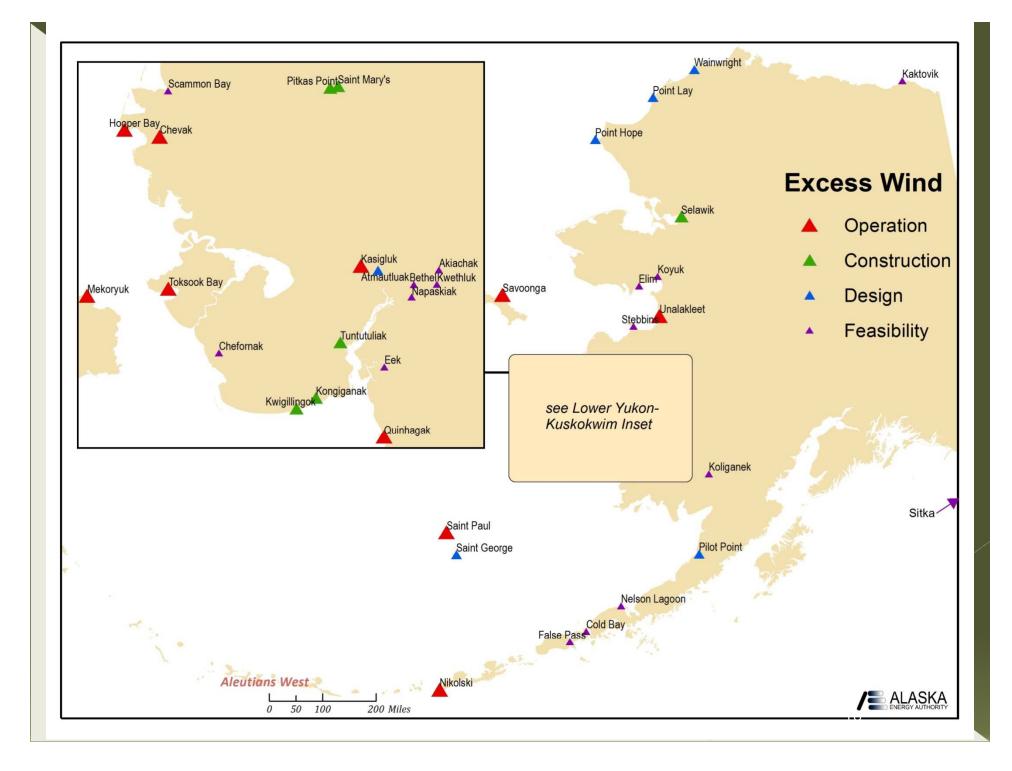
#### Thank you

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## Biomass Strategy

- Continue education and outreach for biomass heating opportunities
- With State Forestry, prioritize and conduct resource assessments to assure sustainable harvest
- "Fill the Pipeline"
  - 3-year plan to conduct feasibility studies including technology and resource assessments
  - Collaboration with Regional, State, and Federal Agencies
  - > Utilize state funding as matching for Federal Grants for design/ construction
- Support rapid deployment of heating systems in rural Alaska
  - > Garn in a Box
- Support Pellet Manufacturing in Alasko