



## Legislation Details (With Text)

**File #:** 070181      **Version:** 11      **Name:** Forest Stewardship Incentive Plan Referral Item #070181(B)  
**Type:** Discussion Item      **Status:** Passed  
**File created:** 4/16/2009      **In control:** Regional Utilities Committee  
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**Title:** Forest Stewardship Incentive Plan Referral Item #070181(B)

Protection of forest ecosystems is a critical concern related to the development of a biomass fueled power plant to serve the Gainesville Community. The Regional Utilities Committee (RUC), working with staff, an advisory group of professionals involved in the forest industry, consultants, and concerned citizens have developed a plan to help assure protection of forest ecosystems. The key elements of this plan are minimum standards that assure that industry best management practices are followed for any fuel acquired for the proposed power plant, and a financial incentive plan to reward growers that invest in superior forest management practices as certified by selected independent certification programs.

**Sponsors:**

**Indexes:**

**Code sections:**

**Attachments:** 1. RUC Forestry Presentation October 9 2007.pdf, 2. Backup for Forest Stewardship Item #070181 Oct 9.pdf, 3. Memo to RUC re Backup for Item #070181 Feb 12 2008.pdf, 4. Forest Product Procurement Standards Item #070181 Attachment Feb 12 2008.pdf, 5. Backup for 070181 Draft Forest Certification Standards May 13 08.pdf, 6. Backup for Aug 13 2008 RUC Meeting Item #070181.pdf, 7. Backup for item #070181 Markup Incentive Plan Oct 20 08.pdf, 8. Backup for item #070181 Final Stewardship Incentive Plan Oct 20.pdf, 9. 070181\_referral\_20090402.pdf, 10. 070181\_MOD\_ERRATA SHEET\_20090416.PDF

Date	Ver.	Action By	Action	Result
4/16/2009	11	City Commission	Approved as Modified	Pass
4/8/2009	9	Regional Utilities Committee	Discussed	
4/2/2009	9	City Commission	Withdrawn	
12/10/2008	8	Regional Utilities Committee	Approved, as shown above - See Motion(s)	Pass
10/20/2008	7	Regional Utilities Committee	Discussed	
8/13/2008	6	Regional Utilities Committee	Approved as Modified	Pass
7/9/2008	5	Regional Utilities Committee	Discussed	
5/13/2008	4	Regional Utilities Committee	Discussed	
2/12/2008	3	Regional Utilities Committee	Approved as Recommended, as Amended	Pass
1/30/2008	2	Regional Utilities Committee	Discussed	
10/9/2007	1	Regional Utilities Committee	Discussed	
6/18/2007	0	City Commission	Referred	Pass

Forest Stewardship Incentive Plan Referral Item #070181(B)

Protection of forest ecosystems is a critical concern related to the development of a biomass fueled power plant to serve the Gainesville Community. The Regional Utilities Committee (RUC), working with staff, an advisory group of professionals involved in the forest industry, consultants, and concerned citizens have developed a plan to help assure protection of forest ecosystems. The key elements of this plan are minimum standards that assure that industry best management practices are followed for any fuel acquired for the proposed power plant, and a financial incentive plan to reward growers that invest in superior forest management practices as certified by selected independent certification programs.

On June 18, 2007 the City Commission referred the issue of standards for the procurement of biomass fuel derived from forestry operations to the Regional Utilities Committee (RUC). The RUC met several times with staff, an advisory group of professionals involved in the forest industry, consultants, and concerned citizens to develop a plan to help assure protection of forest ecosystems. The two key elements of this plan are first, minimum standards that assure that industry best management practices are followed for any fuel acquired for the proposed power plant, and second, a financial incentive plan to reward growers that participate in independent certification programs designed to promote superior forest management practices.

The minimum standards for forest-produced biomass will be a contractual obligation of the power plant owner and operator, former called Nacogdoches Energy but now called American Renewables (AR). In summary, these minimum standards include: using professional foresters for biomass acquisition; only utilizing biomass harvested in compliance with the Florida Division of Forestry's Best Management Practices; not using biomass from the conversion of natural forests to plantation forests; not using biomass from conservation areas unless part of an agency management plan; not using stumps; not using non-native species unless harvested as part of a restoration project; requiring the replanting of harvested areas; and only utilizing fuel that is harvested in compliance with State and Federal Endangered and Threatened Species Acts. GRU shall have access to all records to audit AR's compliance with these requirements.

The financial incentive program will be administered and funded under the purview of the City Commission. The program recommended at this time is a bonus payment of \$.50/ton for biomass harvested from property certified under the Florida Division of Forestry Stewardship Program or \$1.00/ton for biomass harvested from property harvested under the Forest Stewardship Council program. This is a substantial fraction of the anticipated fee growers will be receiving for the residuals from timber harvesting needed by the proposed biomass plant. The selected certification programs will require land management practices currently not in common use that represent superior ecological protection and require substantial investment by the growers. Once a grower is certified under the City's program, they are assured of obtaining the agreed upon bonus payment regardless of changes to the program made in the future by the City Commission.

On December 10, 2009 the RUC approved the proposed plan but requested staff to further develop policies to protect endangered and threatened species. These enhancements, as well as certain other changes to further clarify the plan were finalized by the RUC on April 8, 2009, after the original document had been submitted to the Commission for review. These enhancements are contained in the errata sheet submitted with this revised agenda item.

Receive a presentation from staff and: 1) Adopt the Forest Stewardship Plan as described in the attached document entitled: Stewardship Incentive Plan for Biomass Fuel Procurement and the accompanying Errata Sheet; and 2) remove item 070181 from the RUC referral list."

Staff estimates that the annual cost for the Stewardship Incentive plan should not exceed \$100,000 per year, to be recovered through the purchased power provisions of the monthly fuel adjustment charge. Potential expenditures in excess of that amount will automatically trigger a review of program bonus levels and requirements.

Prepared by Robert Hunzinger, General Manager

Submitted by RUC

