

Ohio Biomass Energy Program

Summer 2008

Promoting the development of renewable energy resources in Ohio, including wood and agricultural residues; ethanol and biodiesel biofuels; landfill gas to energy; and energy crops.

PUCO issues draft rules to implement alternative energy standard

On Aug. 20, 2008, the Public Utilities Commission of Ohio (PUCO) issued for public comment staff-proposed rules that would implement the alternative energy portfolio standard outlined in Senate Bill 221, Ohio's new electricity law. The draft rules also incorporate new requirements for energy efficiency programs, renewable energy credits, long-term forecast and greenhouse gas reporting, and carbon dioxide control planning.

Stakeholders are encouraged to file written comments in response to the PUCO staff-proposed rules until Sept. 9, 2008 and reply comments until Sept. 26. Following the comment period, the Commission will consider input from all stakeholders before adopting rules in late-September. The rules will then be subject to review by the Joint Committee on Agency Rule Review.

Ohio's alternative energy portfolio standard requires that by 2025, at least 25 percent of electricity sold by Ohio's electric distribution utilities or electric services companies must be

generated from alternative energy sources. At least half of this energy must come from renewable energy sources, such as solar, wind, biomass and hydro with a minimum of one-half percent coming from solar resources. One half of the renewable energy facilities must be located in Ohio. Utilities are required

to meet annual benchmarks, or incremental percentage requirements, to meet the renewable portion of the standard.

SB 221 was signed into law by Gov. Ted Strickland on May 1, 2008, marking the one year anniversary of the date he outlined his Energy, Jobs, and Progress Plan to stabilize electricity prices, create jobs, and expand Ohio's green energy industry. The new law, which took effect on July 31, 2008, incorporates a system under

which rates would be set by the PUCO and outlines a path for electric utilities to implement market-based pricing.

Copies of today's Commission entry, the staff-proposed rules and a timeline that details the rulemaking process are available at www.PUCO.ohio.gov.



The Ohio Biomass Energy Program

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Feds announce 2008 cellulosic bioenergy initiatives

In July, the U.S. Department of Energy (DOE) and U.S. Department of Agriculture (USDA) jointly announced plans to award ten university research grants totaling more than \$10 million for research in the development of cellulosic biofuels. These biomass feedstocks include fast-growing trees, shrubs, and grasses that may be bred for producing energy in the form of power or liquid fuels, potentially using marginal agricultural lands and with lower energy and production inputs. The grants will be awarded under a program begun in 2006 which aims to accelerate research in biomass genomics to further the use of cellulosic bioenergy feedstocks.

In the legislative arena, the 2008 Farm Bill became law on May 22, 2008. The legislation includes a number of energy related programs to promote agricultural sector renewable and bioenergy resources development.

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Two year old switchgrass biomass variety evaluation plot grown by the Ohio Seed Improvement Association

The Act adds a new program, the Biomass Crop Assistance Program, in Section 9011. The program was designed to support farmers through payments in the establishment and production of crops for conversion to bioenergy, as well as with the collection, harvest, storage, and delivery of the biomass feedstock to a biomass conversion facility.

The law also includes the Biorefinery Assistance program in Section 9003 to promote advanced cellulosic biofuel production through loan guarantees for commercial scale and grants for demonstration scale biorefineries that produce advanced biofuels. These programs are now in the implementation process under the USDA. •

Ohio Biomass Energy Program to exhibit at 46th Farm Science Review

Look for the Ohio Biomass Energy Program and Public Utilities Commission of Ohio display at the Farm Science Review. The Ohio State University's College of Food, Agricultural, and Environmental Sciences, including Resident Instruction Programs, OSU Extension and the Ohio Agricultural Research and Development Center, will host the event from Sept. 16-18, 2008.

The Farm Science Review is held at Ohio State's 2,100-acre Molly Caren Agricultural Center located two miles north of London on U.S. Route 40. The event features more than 600 exhibitors from all over North America, a vast array of agricultural demonstrations, displays, and educational sessions. More information is available at <http://fsr.osu.edu>. •



Molly Caren Agricultural Center, Madison County

Ohio electric utilities issue RFPs for renewable energy resources

Three Ohio electric utilities have issued requests for proposals (RFPs) for renewable energy resources with the passage of Substitute Senate Bill 221 this spring. The Ohio law contains an alternative energy portfolio standard which requires that by 2025, 25 percent of electricity sold by Ohio's electric utilities or electric services companies must be generated from alternative energy sources.

On May 28, 2008, American Electric Power Service Corporation, a subsidiary of American Electric Power Company, issued an RFP on behalf of Columbus Southern Power and Ohio Power with bids due on July 15, 2008. AEPSC requested bids for 300 megawatts (MW) of nameplate rated renewable energy resources which are capable of being operational by the end of 2010.

Duke Energy Ohio, issued an RFP on June 19, 2008 seeking bids for power generated from renewable energy resources to begin delivering energy in the 2009-2012 timeframe with bids due by Aug. 15, 2008. Duke Energy is seeking a minimum of 61,000 Megawatt-hours (MWh) by the end of 2009 which is to include 1,000 MWh of solar photovoltaic or solar thermal energy. The company estimates that these requirements will continue to grow to an approximate need of 355,000 MWh of renewable power by the end of 2012, including approximately 15,000 MWh of solar energy.

The Dayton Power and Light Company (DP&L) issued its RFP on July 25, 2008 for a minimum of 38,000 MWh of energy from renewable energy resources by the end of 2009. DP&L required that 625 MWh of this energy is to include solar photovoltaic or solar thermal energy. The company estimates that by 2015, these requirements will continue to grow to an approximate need of 552,000 MWh of renewable energy resources, which includes approximately 24,000 MWh of solar energy. Proposals are due by Sept. 12, 2008.

In addition to potential power purchase agreements, the companies will also consider the purchase of renewable energy credits. Ohio's alternative energy standard requires that half of the energy must come from renewable energy

sources, such as solar, wind, biomass and hydro with a minimum of one-half percent coming from solar resources. One half of the renewable energy facilities must be located in Ohio. In addition to the renewable sources requirement, the remainder of the alternative energy required to meet the standard may be generated from advanced energy resources, such as clean coal, nuclear, fuel cells, customer cogeneration, and solid waste. •

USDA awards \$6.9 million for renewable energy and efficiency

In July, the U.S. Department of Agriculture (USDA)

announced that 27 individuals and businesses in seven states have been selected to receive \$6.9 million in loans and grants for renewable energy systems or to increase energy efficiency in farm and business operations. The funds are provided under USDA Rural Development's Renewable Energy Systems and Energy Efficiency Improvements Program.

All but five of the projects selected for the awards are located in the Great Lakes region. An Ohio project was selected for energy efficiency improvements on a dairy farm.

The Renewable Energy and Energy Efficiency Loan and Grant Program was established under Section 9006 of the 2002 Farm Bill to encourage agricultural producers and rural small businesses to install renewable energy systems and energy efficient improvements. The program's funding can support a wide range of technologies encompassing biomass (including anaerobic digesters), geothermal, hydrogen, solar, and wind energy, as well as energy efficiency improvements.

Under Section 9007 of the 2008 Farm Bill, the program will continue as the Rural Energy for America Program (REAP) with funding more than double the 2002 level, and with funding now available for energy audits and feasibility studies for potential projects.

Additional information about this program is available by visiting USDA's web site at <http://www.rurdev.usda.gov> or contacting the Mr. Randy Monhemius of the Ohio USDA Rural Development Office, (614) 255-2424 or e-mail: Randy.Monhemius@oh.usda.gov. •



Save the Date: Upcoming Biomass Events

SW Ohio Economic Development Professionals Opportunities Summit for the Advanced Energy Market

Sept. 11, 2008

Presented by: Edison Materials Technology Center

Cincinnati, Ohio

www.emtech.org

Summit on Sustainability & the Environment

Sept. 11-13, 2008

Presented by: Mid-Ohio Regional Planning Commission

Columbus, Ohio

www.morpc.org

Farm Science Review

Sept. 16-18, 2008

Presented by: The Ohio State University's College of Food, Agricultural, and Environmental Sciences: Resident Instruction Programs, OSU Extension and Ohio Agricultural Research and Development Center

Molly Caren Agricultural Center

London, Ohio

<http://fsr.osu.edu>

Ohio Solar Tour

Oct. 3-5, 2008

Presented by: Green Energy Ohio

www.greenenergyohio.org

8th Annual BioCycle Conference on Renewable Energy from Organics Recycling

Oct. 6-8, 2008

Presented by: BioCycle

Madison, Wis.

www.jgpress.com

National Renewable Energy Marketing Conference 2008

Oct. 26-29, 2008

Presented by: Center for Resource Solutions
Denver, Colo.

www.renewableenergymarketing.net

Renewable Energy World Conference

March 10-12, 2009

Presented by: PennWell

Las Vegas, Nev.

<http://rewna09.events.pennnet.com/fl>

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