

## **Mohawk Trail Woodlands Partnership (MTWP) Advisory Committee Meeting**

March 15, 2016

**Berkshire East Ski Lodge, 66 Thunder Mountain Road, Charlemont, MA**

Staff: P. Sloan, A. Larose, T. Matuszko, B. O'Connor, D. Raimo, E. Coughlin

Members Attending: Tom Brule, Greg Cox, Dicken Crane, Larry Flaccus, Kyle Hanlon, Fred Jajko, Arthur Pantermehl, Jr., Mark Phelps, Walt Quist, Keith Ross, Whit Sanford, Art Schwenger, Gary Stergis, Gisela Walker, and Wendy Ferris

Others attending: Charlie Niebling (INRS/Consultant to DOER), Charlie Levesque (INRS/Consultant to DOER), Mary Booth (Partnership for Policy Integrity), Dwayne Breger (UMASS), Lance Fritz (Leyden), Kurt Gaertner (EOEEA), Rob Rizzo (DOER), and Janet Sinclair.

### **1. Introductions**

T. Matuszko commenced the meeting at 6:05 PM and had all meeting attendees introduce themselves.

### **2. Review and Approval of December 15, 2015 Meeting Notes**

Kyle Hanlon motioned that the committee approve the Meeting Notes of December 15, 2015. Gisela Walker seconded. The motion carried with Mark Phelps abstaining from voting.

### **3. Presentation on the Renewable Wood Heat Sustainable Supply Study for the 21-Town Region**

Rob Rizzo of DOER introduced the renewable wood heat sustainable supply study and the consultants from Innovative Natural Resource Solutions (INRS). The purpose of the assessment is to gain an understanding of the availability of low-grade wood resources that could be sustainably used for wood heat and potentially a wood pellet manufacturing facility or for production of semi-dry refined wood chips in the Northwestern MA 20-town region.

*Note: The study was conducted using the original 20-town study area, and, although it does not directly account for the recent addition of Peru to the study area, indirectly it takes Peru into account because the data collection was beyond the 20-town area.*

The assessment will be followed by a series of other studies and analyses funded through MA DOER including: quantifying the carbon balance of the region's forests and potential air quality impacts of increasing the use of wood to heat buildings using high-efficiency heating systems, a market analysis of potential users of wood heat, feasibility study of developing a community scale wood pellet manufacturing facility and a business plan, and a regional economic impact study. Each study will assist in evaluating the viability of using locally sourced wood for heat and for constructing a community-scale wood pellet manufacturing and distribution facility somewhere in the 21-town region.

Charlie Levesque and Charlie Niebling from INRS presented the findings of the study. The study utilized USDA Forest Service Forestry Inventory Analysis (FIA) and other data. The study relied on three model scenarios, a "constant run" with no changes from current conditions, a "reduced growth" model that assumed a 1% per year forest growth reduction, and a pessimistic "increased demand" run that

assumed a .5% increase in wood harvested per year and an overall 10% reduction of forest land in the region.

The study also incorporated limiting physical factors such as slope, elevation, wetlands, distance to roads, deer yards, stream buffers and easements, as well as ownership patterns (federal, state, municipal or private ownership) that might impact the results. Federal, state and municipally owned lands were excluded from the study analysis to make the estimates more conservative. Overall physical and ownership assumptions reduced the potential forest land area assessed in the study by over 50% to provide extremely conservative estimates on the potential available feedstock. The study accounted for existing wood harvesting as well.

The study concluded that a conservative estimate of a minimum of 193,000 green tons of feedstock is readily available today. However, a more realistic estimate is that 429,000 green tons are available. Additionally, the study estimated that this supply could increase to over 700,000 tons annually by 2035. This is due to additional forest growth over time and the fact that despite harvests, new growth would continue to increase over time because harvests are less than half of growth each year in the study area and the Commonwealth as a whole. Ultimately, the study concluded that there is a sustainable supply for wood heat and potentially a pellet manufacturing facility using wood fuel from forests in the 20-town region and nearby surrounding areas, supplemented by a small amount of sawmill residues.

**Question:** What was the age of the FIA data used?

**Response:** The data used was from 2013, so it is very recent.

**Question:** Where is the nearest potential competing pellet plant?

**Response:** The nearest plant is in Jaffrey, New Hampshire.

**Question:** Does this study assume that every landowner in the study area is willing to provide wood for the plant?

**Response:** No.

**Question:** The study assumes that 75% of tops and limbs are suitable to extract? How sensitive is the model to that assumption?

**Response:** If this assumption were changed to 25% you would see a difference in the result, the model assumes primarily bole wood is used.

**Question:** How much bole wood is used in pellet manufacturing?

**Response:** It is predominantly bole wood. Pellet manufacturing requires a pretty high quality of wood fiber with minimal bark. Pellet quality will suffer if too much bark is used.

**Question:** Would the potential plant derive heat for drying the pellets from burning wood residues or use natural gas? What do plants in the area use for heating?

**Response:** The majority of plants burn wood residues to generate heat for drying. The study has not yet determined what fuel source the potential plant would use for drying.

**Question:** Does the study account for invasive species and insect damage due to climate change and its impact on growth rates?

**Response:** The study uses current growth rates. Growth rates will likely be impacted in the future, but the data does not show that impact yet. In fact, over the last 10 years, growth rates in the forests of the Northeast are increasing because of the longer growing seasons – the likely result of climate change.

**Question:** Does the model account for increased firewood harvesting?

**Response:** Yes, the model accounts for all harvesting types. The “increased demand” run assumes increased wood harvest over time. Even with the increased demand assumed in the model, growth and available material in the forest increases over time.

**Question:** Does the model account for species change due to climate change?

**Response:** The model data can account for hardwood vs. softwoods. However, pellet plants can use a variety of wood materials.

**Question:** Have you considered possible impacts to wildlife caused by reduced low grade wood?

**Response:** The key thing to consider is scale. The reality is that even a modest sized pellet plant would consume a tiny amount of the available wood in the region. Low grade wood harvesting has been going on for some time in the region, mostly due to firewood use and biomass power plants that were constructed in the 1980’s. This has had minimal impact on wildlife.

**Question:** Currently, is some of the wood harvested in this area going to biomass power plants?

**Response:** Yes, and the model accounts for this in estimates of current harvest.

**Question:** Does the model account for increased demand from other potential wood utilizing facilities in the area?

**Response:** The data accounts for facilities that exist today, but does not account for other future facilities that could be built nearby, except for the increased demand model run which assumes a .5% increase in wood use per year – which is substantial. The reality is that in the Northeast, with the exception of Maine, new forest growth amounts have far exceeded amounts removed by harvest. It has been like this for decades. In the Northeast, we have an older and larger forest than we did in the past. The volume of wood consumed by a possible pellet plant is miniscule compared to the amount of new wood that grows every year.

**Question:** Can you describe what is meant in the assumption that harvests on Chapter 61 lands are occurring sustainably?

**Response:** It is assumed that foresters are developing management and cutting plans for Chapter 61 lands that sustain those forests. Smaller parcels not under forest management plans might or might not be managed sustainably but a forester’s job is to assure sustainably practices so Chapter 61 lands are more likely to be managed well. The model does not assume that harvests where foresters are not involved are unsustainable.

**Question:** Are there any benchmarks for the size of the potential plant based on the population of roughly 50,000 people in the 21-town area?

**Response:** Demand for pellets in the region will be explored in a future study and this will determine the potential size of the facility.

**Question:** How was this study funded?

**Response:** This study was paid for by DOER with funds ultimately provided by payments from utility companies. The study cost \$61,000 in total.

**Question:** Where did the conclusion of 700,000 tons of available material come from?

**Response:** Since harvests are substantially less than growth each year, the forest inventory increases year to year. This estimate of 700,000 tons is a projection 20 years into the future due to this additional future forest growth.

**Question:** The Mohawk Trail Woodlands Partnership proposal suggests that this plant will save 500,000 tons of greenhouse gas emissions per year. Is this treating this potential plant as carbon neutral?

**Response:** The MTWP proposal was not part of the consultant's study. *Note: This figure comes from Massachusetts Renewable Heating and Cooling: Opportunities and Impacts Study, prepared for Massachusetts Department of Energy Resources and the Massachusetts Clean Energy Center by the Meister Consultants Group in 2012. It was cited in Chapter 4, page 10, of the MTWP Plan, and refers to the potential GHG emission reductions that could be achieved by further development of the wood central heating market statewide by 2020.*

**Question:** What is next?

**Response:** Greenhouse gas and air quality impact analyses are next. However, the timing for completion of this study is still unknown.

#### **4. Discussion of Draft State Legislation for a Special Designation**

T. Matuszko introduced the draft legislation that was created by the legislative subcommittee of the MTWP Advisory Committee. The document is the draft Massachusetts state legislation, but will closely match the eventual Federal legislation, although there may be some eventual differences. T. Matuszko introduced the purposes section of the legislation, taken directly from the MTWP plan. The legislation was modeled after the Boston Harbor Islands enabling legislation. T. Matuszko discussed the language of the "two step" opt in process that includes an "eligibility area" comprised of the 21-town study area region, and an "activity area" comprised of towns that opted in to the program.

T. Matuszko asked for feedback about whether the legislation should allow for potential expansion to include new member towns in the future.

**Comment:** Lanesborough and Hancock are contiguous to the study area; it would make sense if they were included. While they have not been part of this partnership to date, it would be good to know that there is a process where they could join in the future.

**Comment:** We might want to consider other towns being able to join in the future.

**Comment:** I think there should be some provisions to add additional towns in the future.

**Comment:** The downside is that additional towns joining will reduce the pool of potential funding per area served.

**Comment:** The partnership should make this decision in the future. It should not be part of the draft legislation.

T. Matuszko stated that the legislation will be revised to allow the partnership board to make the decision about expandability in the future, based on criteria they determine. After some additional discussion, the draft legislation will also require a supermajority vote of the board, and will include a provision to allow future members to join after a certain time frame, such as 3 years.

T. Matuszko introduced the draft governance structure of the legislation. The board would include representatives from municipalities that have opted in, in addition to a U.S. Forest Service representative (provided federal legislation is passed and allows this), a representative from the state (EOEEA), representatives from the regional planning agencies (BRPC and FRCOG), the Mass. Forestry Alliance, the Mass. Society of American Foresters, the Franklin Land Trust, the Berkshire Natural Resource Council, and the Greater Shelburne Falls Area Business Association. The group is still looking for a business and economic development representative from the Northern Berkshires. Additional representatives would be included from the Hoosic and Deerfield River Watershed Associations, in addition to an “administrative agent.”

T. Matuszko also stated that the draft legislation currently allows, through a majority vote, the inclusion of additional members on the board.

**Comment:** I am uneasy that there are town officials as well as standalone non-governmental bodies also represented. If new members were able to be added, the board could be stacked in one direction or another. I am uneasy that there are potential representatives on the board that are unelected and would be controlling large sums of money.

**Comment:** Could 501(c)3 (non-profit) members be made non-voting?

**Comment:** I don't see potential conflicts in municipal vs. non-profit members of the board. This is about a holistic community coming together to improve the region.

T. Matuszko reiterated that the project is about partnership, and bringing in as many partners as we can. These partners should have a say in implementing the programmatic element of the MTWP.

T. Matuszko stated that an executive committee would help to oversee day to day operations of the MTWP. This committee was designed to have strong municipal representation. This is proposed as a five member board. Two members would be represented by municipalities, one would come from the state, one would come from the forest service, and one from regional organizations.

After additional discussion, staff will revise the legislation to allow additional members after a supermajority vote of the advisory committee, which will offer more protection for municipal members. Staff will also discuss this point with the legislative subcommittee and revise.

T. Matuszko asked the committee if representatives from education and recreation should be added as members of the advisory committee.

**Comment:** Perhaps some of the more technical members of the partnership should be formed into a technical subcommittee that is non-voting. This would alleviate concerns that municipalities might get outvoted.

**Comment:** I think this reverses the concept of the partnership.

**Comment:** There are a lot of conflicting views between members of the recreation community. How would one be picked? These folks would likely disagree.

T. Matuszko stated that if we keep the provision that future members be allowed, this decision could be deferred to the future.

**Comment:** There is nothing in the legislation about committee members being a land or forest owner. I am concerned that these people would not be represented.

P. Sloan and other members of the committee explained that the land trusts, as well as the Mass. Forest Alliance would represent the interest of forest landowners, and that municipal representatives may also be forest landowners. T. Matuszko stated that these issues would be brought up at the next meeting of the legislative subcommittee.

T. Matuszko introduced other aspects of the legislation including requirements for meetings, quorum requirements, voting requirements, etc.

T. Matuszko and P. Sloan asked for members to send them additional feedback on the draft legislation, particularly regarding the discussion of municipal vs. non-profit members and the issue of municipal members being r outvoted by other members.

T. Matuszko and P. Sloan explained that the draft legislation states that the partnership's activities and programs would be spelled out by a future "partnership plan" that would be developed should this effort be funded. The large advisory committee would likely not be writing contracts, or things of this nature. There needs to be an additional entity, an "administrative agent," that handles the day to day functions. This could be a newly created or existing non-profit, or another entity legally established to do these types of activities. The partnership will need to determine the administrative agent in the future. T. Matuszko also stated that an entity will be needed to manage the potential trust fund. This could be a local bank, a community trust, or CDC. The partnership board would designate this fund manager.

T. Matuszko reiterated that there would be an "Executive Committee" that would work closely with and supervise the administrative agent. This board would report back to the larger advisory committee. The administrative agent would be responsible for implementing the partnership plan. They would be enabled to expend and receive funds, accept donations, and enter into cooperative agreements or contracts as well. They would also have staff members, such as an executive director. The partnership board would have some say in the hiring of staff members.. T. Matuszko stated that the board would also need to develop future bylaws to govern itself.

**Comment:** We should run this legislation past some sort of organizational consultant, they might offer feedback on the interaction of the executive committee, administrative agent, and larger advisory committee.

**Question:** Would the bylaw adoption require a supermajority vote?

**Response:** Staff will consider revising this.

T. Matuszko explained the concept of the partnership plan and the trust fund further.

**Comment:** My understanding was that we would hold the principal of the trust fund in perpetuity, and only fund activities using the interest generated from it.

P. Sloan stated that this aspect was discussed, and it was determined that the partnership might not want to write this into the legislation and lock in a specific principal amount. T. Matuszko stated that on page 10, subsection 4, language was added to address this, by ensuring that a sufficient amount of funds remain in the principal, and that the purposes and activities of the partnership be sustained in perpetuity, without getting into the specifics of how this occurs.

**Comment:** Perhaps we can require that a certain percentage of the original investment always be retained.

**Response:** Staff will consider revising this.

**Question:** What if the partnership is dissolved? What happens to the trust fund?

**Response:** This is not specifically addressed. Staff will consider revising this. We suspect that if the partnership is dissolved, funds would be required to be returned to the government.

T. Matuszko moved on and stated that the legislation also explicitly states that no funds will be appropriated through the legislation that would allow the federal government to own a fee interest in any real property in the partnership area. This has been a concern throughout the development of the MTWP, and this needed to be explicitly called out in the legislation.

**Question:** Should other outside donations go into the trust fund, or into a separate account?

**Response:** B. O'Connor and D. Raimo stated that there are many state trust funds that allow outside donations. Additionally, the federal government might require a cost share of state or other funding.

T. Matuszko stated that legislative aides from state representative Paul Mark and Stephen Kulik's offices have been involved on the legislative subcommittee. There is a possibility that this legislation could be passed during informal session. However, the aides advised it would be a better course of action during the normal legislative period – before July 31<sup>st</sup>. Staff again asked for more comments on the draft legislation.

## **5. Update on Meetings with the U.S. Forest Service & Select Boards to Discuss the MTWP Project and Feedback on Draft Business Plan**

P. Sloan stated that she has been out visiting with communities to get feedback on whether they would like to proceed with special legislation. Some towns have already sent letters of support, and other town Select Boards are still considering it.

D. Raimo discussed the January 15<sup>th</sup> meeting with the U.S Forest Service in Durham, NH. The group was looking to get working level input from the Forest Service on the MTWP. The meeting was attended by

an assistant director in the research division and about 10 staff involved in state and private forestry. D. Raimo stated that the USFS had found no “fatal flaws” in the overall MTWP concept. The USFS stated they did not need or want land for a demonstration forest, and if this is desired, there are plenty of non-federal models that could be followed to develop one. However, the USFS liked the idea that the project area includes three major ecosystems types, and that there is an opportunity for potential experiments regarding these and their interactions due to climate change. The USFS stated that it could provide technical assistance, such as road engineering, or recreation technical assistance to local towns within the MTWP project area. Additionally the USFS noted that conservation education could be a component of the assistance it provides. This has resulted in economic development in other areas, such as Puerto Rico.

The review of the draft business plan was tabled for the next meeting.

**Next Meeting:**

Tuesday, April 12, 2016 – 6:00-8:00 p.m., Berkshire East Ski Lodge – MTWP Advisory Committee