

**Rocky Mountain Restoration Initiative (RMRI)**  
**August 10, 2021, 9:00 AM - 11:00 AM**  
**RMRI Biomass Utilization Subcommittee**  
**Meeting Summary – DRAFT**

<b>RMRI BIOMASS UTILIZATION SUBCOMMITTEE</b>	
<b>ATTENDANCE:</b> Marc Bellatoni, Ken Curtis, Randy Johnson, Kim Hunter, Charlie Mortimer, Ashleigh Ooi, Molly Pitts, Tim Reader, Jordan Solomon, Jeremy Taylor, Nathan Van Schaik, Samuel Wallace, and Laura Wolf	
<b>ACTION ITEMS</b>	
<b>Tim Reader</b>	<ul style="list-style-type: none"> <li>• Follow up with Marc Bellatoni and Randy Johnson to explore the option for a BDO Zone designation in the San Luis Valley.</li> <li>• Distribute the details on the Farm Service Agency’s pandemic assistance webinar once available.</li> </ul>
<b>Nathan Van Schaik</b>	<ul style="list-style-type: none"> <li>• Post the BDO Zone slide deck on the RMRI website.</li> <li>• Post the biomass utilization factsheet on the RMRI website.</li> </ul>
<b>Samuel Wallace</b>	Distribute the BDO Zone presentation slide deck and August 17 webinar information to the Biomass Utilization Subcommittee.
<b>MEETING SUMMARY</b>	
<b>PRESENTATION TOPIC:</b> Bioeconomy Development Opportunity (BDO) Zones, presented by Jordan Solomon, Ecostrat President and CEO	
<p><b>Presentation Points:</b></p> <ul style="list-style-type: none"> <li>• The BDO Zone Initiative is an economic tool to accelerate bio-based investment and infrastructure in economically distressed areas and other communities.</li> <li>• The BDO Zones are scalable at the state and national level and benefits communities through decarbonization, social justice, and job creation.</li> <li>• The BDO Zones enables communities to leverage local biomass assets as engines to attract new biofuel, bioenergy, renewable, chemical, and biogas manufacturing plants and create jobs.</li> <li>• The BDO Zone Initiative allows communities to credibly demonstrate “AA-rated” biomass feedstock supply chains to plant developers and investors worldwide. The BDO Zone Initiative ratings are based on standardized protocols.</li> <li>• The Agricultural Technology Innovation Partnership Foundation, Advanced Fuels and Chemicals Coalition, and Ecostrat lead the initiative.</li> <li>• A BDO Zone Investment Coalition announced a \$1 billion deployment into bio-based investment in BDO Zones. The Coalition includes companies like Goldman Sachs, Shell, and many more.</li> <li>• BDO Zones ratings are issued to areas with strong capability and appetite for bio-based development, sustainable surpluses of feedstock, and where new investment is eligible for federal tax incentives.</li> <li>• The three pillars of the BDO Zone ratings are: <ul style="list-style-type: none"> <li>○ Feedstock surplus</li> <li>○ Committed suppliers</li> <li>○ Sound infrastructure</li> </ul> </li> <li>• Communities undergo rigorous and extensive due diligence using a framework of over 100 standardized, transparent, and validated risk factors.</li> <li>• The BDO Zone is not a panacea to solve all biomass utilization issues, but it is a powerful capacity-building program that helps drive interest in biomass utilization. One community</li> </ul>	

designated as a BDO Zone experienced a 750% increase in inquiries several months after their designation.

- The BDO Zone rating framework was developed after six years of development, led by Idaho National Labs, Ecostrat, a 150-member industry stakeholder group, and a 65 -member, \$60 billion capital market ratings review committee. The BDO Zone ratings framework is expected to receive ANSI accreditation in the US in 2022.
- BDO Zones established in distressed communities have associated tax credits for industry, such as the New Markets Tax Credit and Opportunity Zone tax incentives. There are thousands of opportunity zones with huge surpluses of biomass that are investment-ready, but investors and developers first look for feedstock supply before considering tax credits. The tax incentives are a supplemental benefit for encouraging the industry to grow.
- The BDO Zone Initiative has the potential to create 160,000 new clean energy jobs, \$15 billion in direct and indirect economic impact, and a 2.59% reduction in net US greenhouse gas emissions.
- The Commercial Aviation Alternative Fuels Initiative and Alternative Fuels and Chemical Coalition have endorsed the BDO Zone Initiative.

**DISCUSSION TOPIC:** BDO Zone Initiative Discussion with Full Subcommittee

**Discussion Points:**

- The BDO Zone Initiative does not focus on a specific type of technology. The focus of the BDO Zone Initiative is on biomass feedstock. It does not matter if developers are interested in biogas, mass timber, etc. Ultimately, the community decides what types of products and industries they are trying to attract.
- BDO ones are similar to enterprise zones insofar that they both focus on distressed communities.
- The cost for a community to go through the framework to receive a BDO Zone rating is \$100,000. Ecostrat is covering 33% of the cost, so the end cost for communities is \$66,000. As the analysts gain experience, the hope is for the cost of the analysis to go as low as \$50,000.
- There are options for communities without these resources to work with foundations to generate the funding. Ecostrat is exploring options with federal and state agencies, including the US Department of Agriculture Rural Development program, to generate funding for communities to undergo the BDO Zone rating process.
- Local communities are involved in the BDO Zone designation process. Local community members often provide biomass to projects. Local operators and producers are critical in providing feedstock to help attract industry. The BDO Zone designation process is collaborative between the communities and the rating analysts. Additionally, community members know their infrastructure, taxes, and educational resources.

**Decisions/Action Items:**

- **Tim Reader:** Follow up with Marc Bellatoni and Randy Johnson to explore the option for a BDO Zone designation in the San Luis Valley.
- **Samuel Wallace:** Distribute the BDO Zone presentation slide deck and August 17 webinar information to the Biomass Utilization Subcommittee.
- **Nathan Van Schaik:** Post the BDO Zone slide deck on the RMRI website.

<ul style="list-style-type: none"> <li>• An advisory/technical committee forms for each BDO Zone designation. The advisory committee is composed of regional and local stakeholders and capital investors. It takes two-thirds of the technical committee to issue a BDO Zone designation.</li> <li>• It may be challenging to find communities with a feedstock surplus, committed suppliers, and sound infrastructure in Colorado. Having a deficit in one of the pillars does not automatically disqualify a community from receiving an “A” or “AA” rating. For example, a lack of infrastructure is not necessarily a disqualifier if the appropriate infrastructure can be built to accommodate industry.</li> <li>• There are 120 opportunity zones in Colorado. Opportunity zones in the San Luis Valley may be a good area to pilot a BDO Zone. The San Luis Valley could potentially provide agricultural and woody biomass feedstock. One of the biggest challenges for the San Luis Valley is a lack of infrastructure.</li> <li>• The BDO Zone Initiative can pre-vet a community before launching a full study.</li> <li>• The BDO Zone Initiative partners conduct a feedstock supply study. A community can potentially reduce costs if they have already conducted a feedstock supply study. There is a requirement to reassess the BDO Zone rating every two years or after a successful program to understand how biomass availability has changed. The cost of the second assessment is much smaller than the first.</li> <li>• Wood from National Forests does not qualify for renewable energy credits. Communities applying for a BDO Zone designation can limit their study to specific products based on available feedstock. However, it is beneficial to expand technological options beyond one product.</li> <li>• The sooner communities begin pursuing a BDO Zone designation, the more opportunities they will have to attract industry. Colorado is in a position to be a leader for the BDO Zone Initiative.</li> <li>• There will be a BDO Zone Initiative webinar on August 17 for those interested in learning more.</li> </ul>	
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**DISCUSSION TOPIC:** Partner updates

<p><b>Discussion Points:</b></p> <ul style="list-style-type: none"> <li>• The Office of Just Transition released an action plan and will be hiring additional staff.</li> <li>• The Biomass Utilization Subcommittee has had a chance to review and provide feedback on the biomass utilization factsheet. The document is ready</li> </ul>	<p><b>Decisions/Action Items:</b></p> <ul style="list-style-type: none"> <li>• <b>Nathan Van Schaik:</b> Post the biomass utilization factsheet on the RMRI website.</li> <li>• <b>Tim Reader:</b> Distribute the details on the Farm Service</li> </ul>
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<p>to be posted on the website. It will also be a living document and can be amended by the Subcommittee as needed.</p> <ul style="list-style-type: none"> <li>• Wood markets have come down but are still higher than pre-pandemic levels. The I-70 closure has made it difficult for logging trucks.</li> <li>• Molly Pitts, Tim Reader, and Laura Wolf will be attending a webinar with information on pandemic assistance from the Farms Service Agency.</li> </ul>	<p>Agency's pandemic assistance webinar once available.</p>
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**NEXT STEPS**

- The Upper South Platte and Southwest Colorado may have communities that qualify for a BDO Zone Designation. There may be an opportunity in communities transitioning away from coal as well.
- The Colorado state legislature allocated funds to promote biomass utilization. There may be an opportunity to launch a BDO Zone pilot project using those funds.
- After the BDO Zone Initiative webinar on August 7, which decision-makers and biomass experts from Colorado will attend, there may be a clearer idea on if and how to pursue a BDO Zone designation in Colorado.
- Samuel Wallace will distribute a Doodle to schedule the next Biomass Utilization Subcommittee meeting.