



# **RIM Clean Energy**

**BWSR**

**April, 2008**

# RIM-CE

- 2007 Legislation
- BWSR, with a technical committee, reworked the RIM model to grow “environmentally beneficial” energy crops to fuel cellulose-based facilities
- Report due Legislature in February 2008
- Minnesota Environmental Initiative (MEI) provided logistical support
- UM provided technical support
- G. Larson and K. Lines were BWSR co-leaders

# Minnesota's Bioenergy Market

- More than 30 bioenergy facilities in Minnesota are currently using cellulosic fuel to produce heat and power
- More than 20 more facilities are under development
- See the Minnesota Conservation Volunteer (Jan/Feb 2008 issue)

# FACT

## RIM CE:

- Is mostly aimed at moving “poor” cropland into diverse prairie plantings to support cellulose-based bioenergy facilities
- Is an alternative to corn and soybean production
- Is a means to help local government implement TMDL and other resource plans

# Why Reinvest in Minnesota (RIM)?

- Successful at enrolling environmentally sensitive lands for over 20 years
  - About 5000 easements and 190,000 acres--
- Locally implemented through SWCDs—  
and their connection with private landowners
- Could leverage significant federal funds

# Key Elements of the Final Report

- How project areas will be selected
- Nature of the tiered payment system
- Standards for easements, including best management practices
- Implementation and next steps

Note: Final Report will be posted on BWSR Website with other information about the RIM CE process

# Payments for Easements

- A tiered payment system for easements must be developed
- The payment system must provide the highest per acre payment for diverse native prairie and perennials

# RIM CE Payment

EMV Base factor	
80%	Base payment- one native perennial grass (npg) or one native woody
+ 5%	Adding 2 <sup>nd</sup> NPG, forb or woody
+ 3%	Adding 3 <sup>rd</sup> ...
+ 2%	Adding 4 <sup>th</sup> ...
+ 5%	Est. of >15 specie prairie
Up to + 10%	Local factors...SWCD, EBI and so forth

## Why >100%??

- Competing uses for land
- Compensates landowners for a risky venture
- We know from CREP 2 that less than EMV payments will not attract landowners
- EMV base is about 2 years old and current land values are rapidly increasing

Note: EMV base is from property tax statement

# Opportunities

- Expand the utility of RIM for “working lands”
- Use the emerging bio-energy markets to better manage environmentally sensitive lands
- Potential to complement new federal farm policy
- Offer farmers an alternative to corn and soybeans on “poor” ground

# Technical Committee Consensus

- RIM –CE is both a bio-energy and a conservation program
- The State should pay for environmental benefits and the market should pay for the biomass
- The State payment could exceed market value if a very diverse mixed native prairie used in an environmentally sensitive area

# Projected RIM-CE Enrollment Process

- BWSR endorsed report from RIM-CE group
- Preliminary statewide Request for Proposals
- Legislature provides funding
- BWSR develops program guidance
- BWSR publishes RFP
- Groups (project team) submit proposals
- BWSR selects project areas

# Enrollment Process (continued)

- SWCDs and project team publicize program
- Landowners are briefed
- Willing landowners sign an agreement, beginning the easement process
- After 6-12 months (average time for easement processing), the landowner receives payment for the easement and is reimbursed for costs to establish vegetation

## Enrollment Process (continued)

- Biomass is established, harvested and maintained according to best management practices and standards identified in the RIM-CE management plan—prepared for each landowner
- Presumably, landowners will have a side agreement with purchasers of biomass??--

# Easement Duration

- May be permanent or limited
- 20 years is the minimum length for a limited duration easement
- The technical committee recommended 20 years as the preferred enrollment option

# Status Report

- The advisory committee met four times
- Report approved by BWSR 01/23/08
- Governor recommends 3.3M in 2008 bonding bill
- If funded by 2008 Legislature, landowner enrollments could begin in early 2009