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Time running out on agreement that helps turn wood waste into energy, officials say



A front end loader grabs tree waste material and puts it into the hopper of a grinder at Environmental Wood Supply in St. Paul on Wednesday, Jan. 22, 2020. The tree waste generated in this region is processed into fuel for use at St. Paul Cogeneration, which produces renewable electricity and heat. State leaders attended a briefing at the site Wednesday. (Jean Pieri / Pioneer Press)

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When cities remove dead and dying trees that have been felled by storms or chewed apart from the inside by the dreaded emerald ash borer larvae, where does the wood go?

The answer, more often than not, is Environmental Wood Supply, a tree waste processing facility tucked across the Mississippi River from St. Paul's downtown municipal airport. More than 170 cities in 22 counties, on top of 750 organizations, send their waste wood to the same St. Paul-based company, which converts 260,000 tons of trees each year into renewable "biomass" energy for two utilities — District Energy St. Paul and Xcel Energy.

What does 260,000 tons of tree waste look like? Imagine 9,000 tractor-trailer loads of wood chips last year alone. That's up from 5,800 trailer loads in 2015.

The uptick is attributable, in large part, to [emerald ash borer, a beetle that has decimated ash tree populations](#) across the country simply by laying its young. Ash trees make up an estimated one in five trees in Minnesota woods, and many urban areas lined entire streets with ash trees as a replacement for their elms, which were decimated by Dutch elm disease in the 1980s. Together, that's more than 1 billion ash trees.

Emerald ash borer, and extreme weather events like the tornado that tore through Forest Lake and Scandia last summer, have kept Environmental Wood Supply busy.

"This is a significant county issue," said Washington County Commissioner Fran Miron. "Smaller cities throughout our county are just incapable of dealing with the amount of wood waste that this creates. They cannot manage the larger trees that are coming in."

ENERGY PURCHASE AGREEMENT EXPIRES 2023

The problem, according to county officials and state lawmakers, is that a key agreement between Xcel Energy and St. Paul Cogeneration — the District Energy affiliate that Xcel buys its biomass energy from — is set to expire in 2023.

The "Biomass Mandate" and the resulting energy-purchasing agreement was set in motion by the 1994 Prairie Island legislation, which allowed Xcel Energy to add new storage casks to its Prairie Island nuclear energy facility, extending its life. In exchange, Xcel agreed to buy renewable power from St. Paul Cogeneration, which is powered by Environmental Wood Supply's waste wood.

Once the purchasing agreement expires, Xcel will have limited incentive to remain a major client, given that other forms of renewable energy can be purchased at less cost, due in part to public subsidies. If Environmental Wood Supply closes, dozens of cities will be left scrambling for an affordable alternative, and District Energy — which heats and cools buildings throughout downtown St. Paul — may have to increase its reliance on natural gas.

District Energy CEO Ken Smith said he's seeking a seven-year extension of the purchasing agreement to the year 2030, as well as an annual subsidy of \$5 million from state lawmakers.

"We've been active at the Legislature for three years," Smith said. "This will be our fourth legislative session. ... If we're not going to continue to do this any longer, other plans need to be put in place. ... There is currently no other plan in place. There is currently no other facility."

U.S. Rep. Betty McCollum, D-Minn., joined a group of state lawmakers, county commissioners and other officials at the Environmental Wood Supply facility on Wednesday for an update on the situation, which several called dire.

McCollum recalled how Dutch elm disease left stacks of waste wood rising 60 or 70 feet high piled in facilities ill-equipped to deal with fires from the combustible compost piles, some of which smoldered and burned for months.

Other options? Landfilling the tree waste is not allowed under state law. Open burning provides significant environmental impacts, according to St. Paul Cogeneration. And no one needs that much mulch.

"People only need so much landscaping," McCollum said. "And then it just sits there. And then it becomes a fire hazard. ... There's no way people in St. Paul could use all the wood chips."

Ramsey County Commissioner Victoria Reinhardt said the county is one of Environmental Wood Supply's biggest clients. "There are no alternatives for this volume of wood waste," Reinhardt said. "Seriously, no alternatives."

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Ramsey County St. Paul Washington County

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Frederick Melo was once sued by a reader for \$2 million but kept on writing. He came to the Pioneer Press in 2005 and brings a testy East Coast attitude to St. Paul beat reporting. He spent nearly six years covering crime in the Dakota County courts before switching focus to the St. Paul mayor's office, city council, and all things neighborhood-related, from the city's churches to its parks and light rail. A resident of Hamline-Midway, he is married to a Frogtown woman. He Tweets with manic intensity at @FrederickMelo.

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