



NEWS RELEASE



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PROTECTING FORESTS BY PURCHASING RENEWABLE ENERGY CERTIFICATES

Denver, October 7, 2005 -- The USDA Forest Service and the Colorado Governor's Office of Energy Management and Conservation (OEMC) are partnering on a new and innovative way to both reduce hazardous fuels and expand the use of biomass to produce energy. The Forest Service purchased 730 MWh of Renewable Energy Certificates (RECs), which is about the amount of energy needed to power seven Forest Service district offices for one year. Through the purchase of these RECs, the Forest Service will help support efforts to develop opportunities for "co-firing" coal and small-diameter trees ("woody biomass") for power generation.

"It is exciting to promote innovative ways for the agency to accomplish two vital objectives using a method that benefits so many," Rick Cables, USDA Forest Service Rocky Mountain Regional Forester. In Colorado alone, 6.2 million acres fall within the "Red Zone" -- areas in which communities and homes are at risk from wildfires, mainly due to the unnatural buildup of vegetation. "Not only are we reducing the risks of wildfires to communities, but we are providing a renewable energy source that also reduces emissions," said Cables. Biomass co-firing offsets the emissions that would otherwise be generated by coal.

The Forest Service transaction is the first example of forest-derived biomass RECs being sold on the voluntary market. The RECs were developed through a program funded by the US Department of Energy via OEMC. The OEMC's implementing partners -- Aquila, Inc., McNeil Technologies, Inc. and the Colorado Energy Science Center (CESC) -- developed the first US pilot program for selling the RECs generated by co-firing biomass and coal.

"We believe that RECs offer a unique opportunity to use forest waste materials as renewable fuels," said Drew Bolin, the OEMC Director.

Using the forest thinnings at a power plant creates a market outlet for what would otherwise be a waste material. If contractors can profit by selling the biomass, it may be possible to lower the costs of thinning forest waste and treat additional forest lands that are in need of mitigation work. RECs are an innovative tool for supporting the expansion of renewable energy. RECs have been purchased by federal agencies and corporations.

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