

Enabling Sustainable Landscape Design for Continual Improvement of Operating Bioenergy Supply Systems

U.S. Department of Energy (DOE) Bioenergy Technologies Office (BETO) 2017 Project Peer Review, March 9, 2017 Denver, CO

Analysis & Sustainability Session

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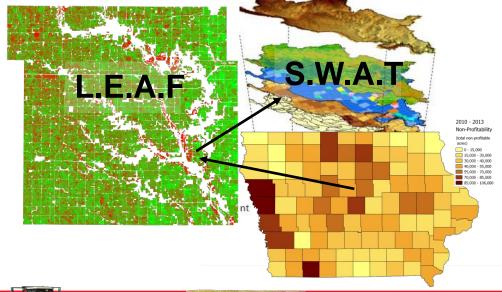
Landscape Design for Sustainable Bioenergy Systems

Goal Statement:

The team will work with growers and biomass end-users to utilize subfield agronomic models to target areas within existing cellulosic ethanol feedstock supply sheds to build baseline datasets, implement conservation practices, monitor key environmental indicators, and monitor the environmental and economic impacts to the watersheds and the biomass supply chain. (to enable future biomass supply systems)

| Total Project Budget | \$12,000,000 | | |
|----------------------|--------------|--|--|
| DOE Funds Awarded | \$9,000,000 | | |
| Applicant Cost Share | \$3,000,000 | | |

\$12.25 million additional leveraged to date



Quad Chart Overview

Timeline

- Project start date: April 1, 2016
- Project end date: March 31, 2021
- Percent complete: 16.8%

Budget

| 5 | | | | | | |
|---|--------------------------------|----------------|-----|----------|-------------|--|
| | Total Costs FY 12 –FY 14 | FY 15 Costs | FY | 16 Costs | Fund | al Planned ling (FY 17- ct End Date) |
| DOE Funded | | | \$1 | ,046,870 | \$ 7 | 7,953,130 |
| Project Cost Share | | | | | | |
| lowa Dept. of Ag. & Land Stewardship (IDALS) | | | \$ | 447,734 | \$ 1 | 1,552,266 |
| AgSolver | | | Ş | 7,500 | \$ | 117,500 |
| FDC Enterprises | | | \$ | 54,159 | \$ | - |
| lowa State University | | | | | Ş | 125,000 |
| Poet-DSM | | | | | \$ | 500,000 |
| Purdue University | | | | | \$ | 14,962 |
| Pennsylvania State University | | | | | \$ | 178,985 |

Barriers

- St-C. Sustainability Data across the Bioenergy Supply Chain
- St-D. Implementing Indicators and Methodology for Evaluating and Improving Sustainability
- St-E. Best Practices and Systems for Sustainable Bioenergy Production
- Profitably, sustainably enabling biomass supplies

Partners

- IDALS (18%) Antares Group (17%) USDA Agricultural Research Service (17%) FDC Enterprises (13%) Idaho National Lab (10%) Pennsylvania State University (6%) AgSolver (5%)
- Oak Ridge National Lab (4%) Poet-DSM (4%) Argonne National Lab (2%) Purdue University (2%) Iowa State University (1%) Scientific Certification Systems (SCS) (1%)

<u>1 - Project Overview</u>

Required Areas of Focus:

- 1. Multi-Stakeholder Landscape **Design Process**
- 2. Assessment of Environmental Sustainability Indicators

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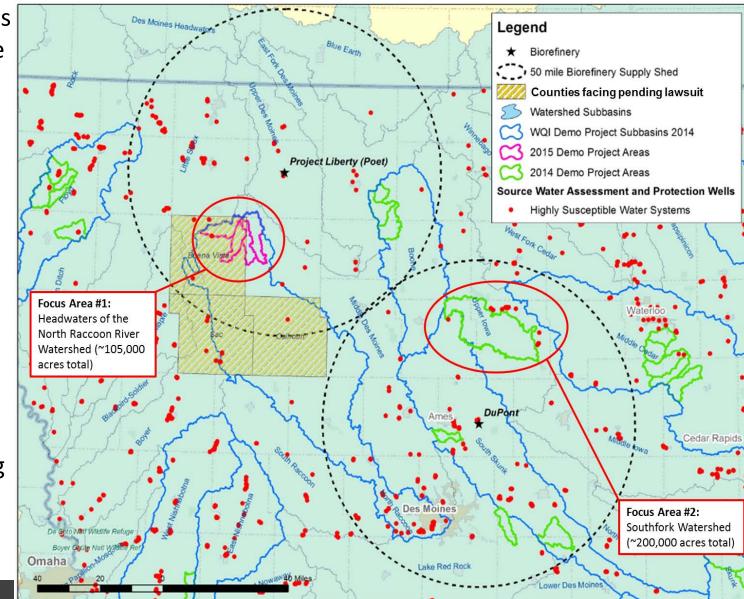
3. Assessment of Feedstock Supply and Logistics



NTARES Group Incorporated

Targeted Watershed Areas

- Two biorefineries in start-up mode
- Iowa Nutrient Reduction Strategy Goals
 - Non-point
 - 41% less N
 - 29% less P
- ~ \$115 million spent in 2015 towards goals
- Better modelling capabilities needed for planning



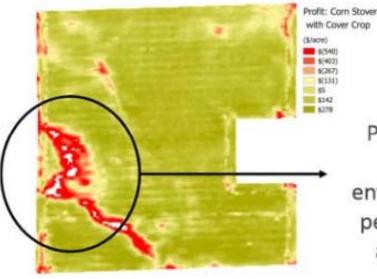
2 - Approach (Management)

Overall project management and oversight is provided by Antares Group, with project tasks assigned to "subgroups" of the key subject matter experts.

Project Tasks:

- 1. Multi-stakeholder Landscape Design Process Led by Antares Group, contributions by AgSolver & FDC Enterprises
- 2. Assessment of Environmental Sustainability Indicators Led by ORNL, contributions by USDA-ARS, AgSolver, Penn State, & Antares Group
- 3. Assessment of Feedstock Supply and Logistics Led by INL, contributions by ORNL, Penn State, Antares Group, FDCE, ISU
- 4. Analytical Approaches for Subfield Analyses Led by AgSolver, contributions by Penn State, INL, Purdue, ANL
- 5. Targeted Feedstock and Environmental Assessment Data Led by USDA-ARS with contributions by Antares & FDC Enterprises

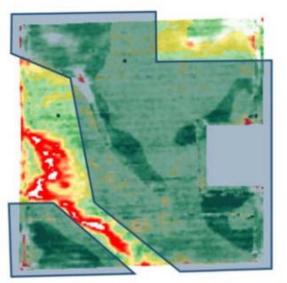
Approach (Technical)

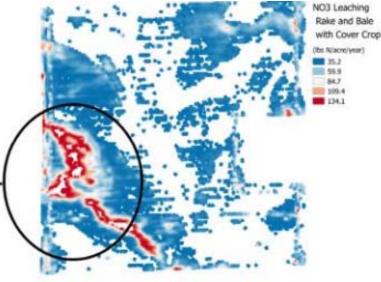


Profitability and environmental performance are linked

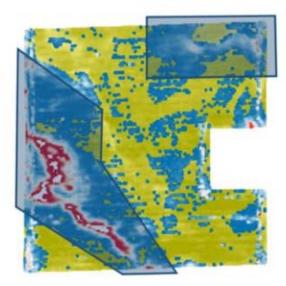
Stover Removal Management Zones

Changing management practices to improve profitability, environmental performance, biomass supplies





NO3 Leaching Mitigation Management Zones



Assembling Key Pieces of the Puzzle

Advanced Harvest & Logistics, 2nd Pass

Regional Impact Modeling & Monitoring Implementation of Conservation Practices (Cover Crops, Buffer Strips, etc.) Advanced Harvest & Logistics, **First Pass**

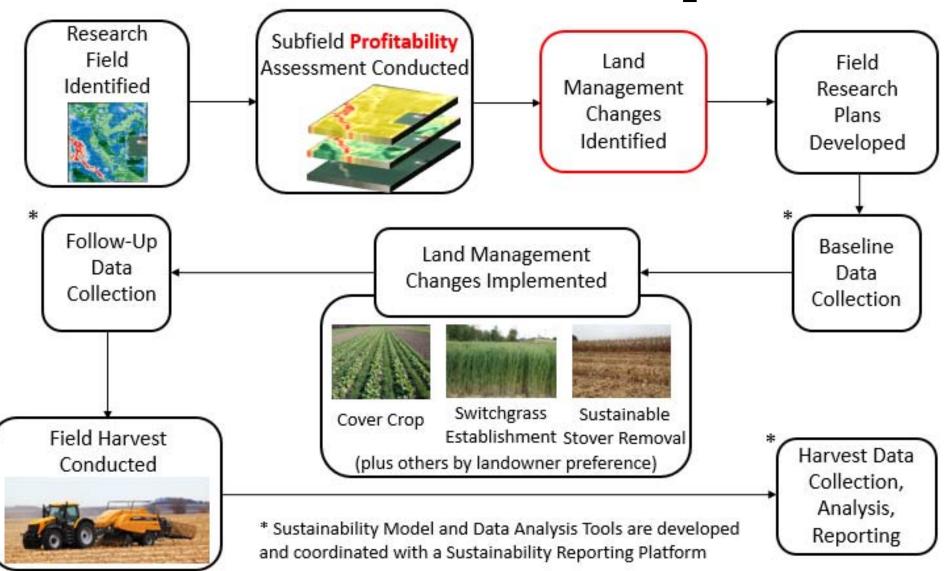
Perennial Grass for Conservation & Biomass Supply

Subfield Precision Business Planning

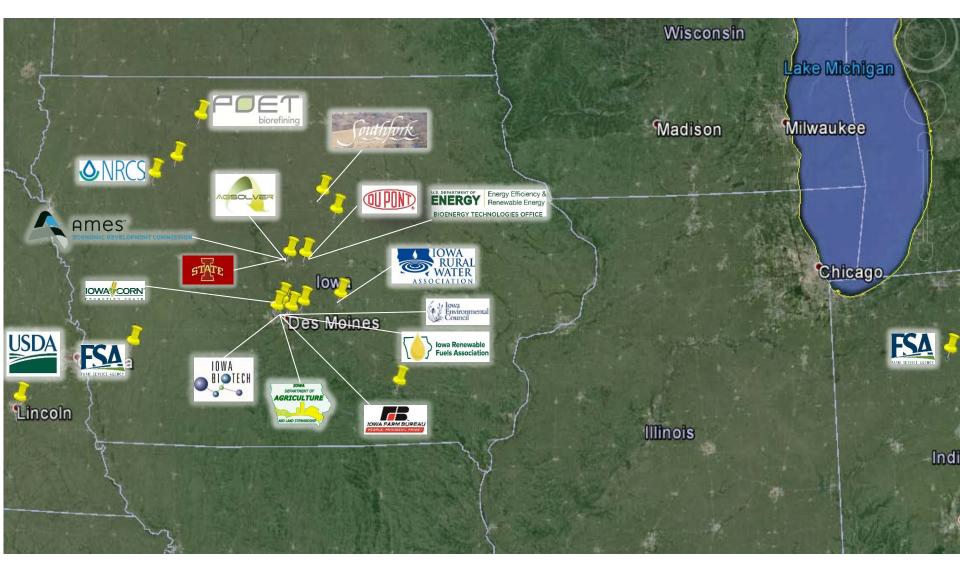
Sustainable Residue Harvest

Multi-stakeholder Outreach

Field Work Process (Simplified)



Multi-Stakeholder Outreach



CP-38 Pheasant Recovery Participant Promotion



Contract Terms:

- 5 year assessment of CRP establishment. The team will periodically take measurements related to soil erosion, water quality and wildlife benefits.
- Information gathered on your CRP planting will remain anonymous.
- All results will be shared with cooperator.
- Cooperator to abide by all rules of CRP program.

To learn more about the landscape design project and participation in the program contact us at: 712-253-6628 515-313-0080 tom@fdcenterprises.com Antares Group and install partner FDC Enterprises, Inc. in cooperation with the local SWCD, FSA and NRCS are seeking landowners enrolled in the CP-38 Pheasant Recovery program to participate in a landscape design project funded by the US Department of Energy. An objective of the project is to assess the potential biomass yield that could be produced in the area and the environmental benefits of CRP establishment practices. Participants will receive numerous incentives described below.

Participant Incentives:

- Full establishment of your CRP practice free of charge. The team will pay for the portion of your project not covered by FSA's cost share and practice incentive payments. All seed, chemical and establishment will be arranged for you.
- Establishment of your CRP practice by a company with over 270,000 acres of CRP establishment experience.
- Optional whole farm profitability assessment with Agsolver.
- Optional financial and technical assistance for additional projects such as buffer strips and saturated buffers.
- Optional payments for harvest of 1/3 the native mix, in nesting cover portion only, of CRP practice in years 4, 5 and 6.
 Harvest of winter cover is not authorized.





SIGN UP PERIOD: DEC 15th - SEPT 30th





FDC Enterprises, Inc., Antares Group Inc., IDALS and USDA are Equal Opportunity Employers

Environmental Indicators

| Environment | Indicator | Units | Environment | Indicator | Units |
|--------------|--|--|---------------------|--|-----------------------|
| Soil quality | 1. Total organic carbon (TOC) | Mg/ha | Greenhouse gases | 12. CO ₂ equivalent emissions (CO ₂ and N ₂ O) | kgC _{eq} /GJ |
| | 2. Total nitrogen (N) | special concern | | Presence | |
| | Extractable phosphorus (P) | Mg/ha | | 14. Habitat area of taxa of special concern | ha |
| | 4. Bulk density | g/cm ³ | | special concern | |
| and quantity | 5. Nitrate concentration in streams (and export) | concentration: mg/L; export: kg/ha/yr | Air quality | 15. Tropospheric ozone | ppb |
| | 6. Total phosphorus (P) concentration in streams (and export) | concentration: mg/L; | | 16. Carbon monoxide | ppm |
| | Suspended sediment concentration in streams (and export) | concentration: mg/L; export: kg/ha/yr | | 17. Total particulate matter less than 2.5µm | µg/m³ |
| | 8. Herbicide concentration in streams | concentration: mg/L; export: kg/ha/yr | | diameter (PM _{2.5}) | |
| | (and export) | | | 18. Total particulate | µg/m³ |
| | 9. storm flow | L/s | | matter less than 10µm | |
| | 10. Minimum base flow | L/s | | diameter (PM ₁₀) | |
| | 11. Consumptive water use (incorporates base flow) | feedstock production: m³/ha/day; biorefinery: m³/day | Productivity | 19. Aboveground net primary productivity (ANPP) / Yield | gC/m²/yea |

Credit: Virginia Dale & Keith Kline, Oak Ridge National Lab

Feedstock Logistics

• The Straeter Header is being upgraded for variable rate harvesting















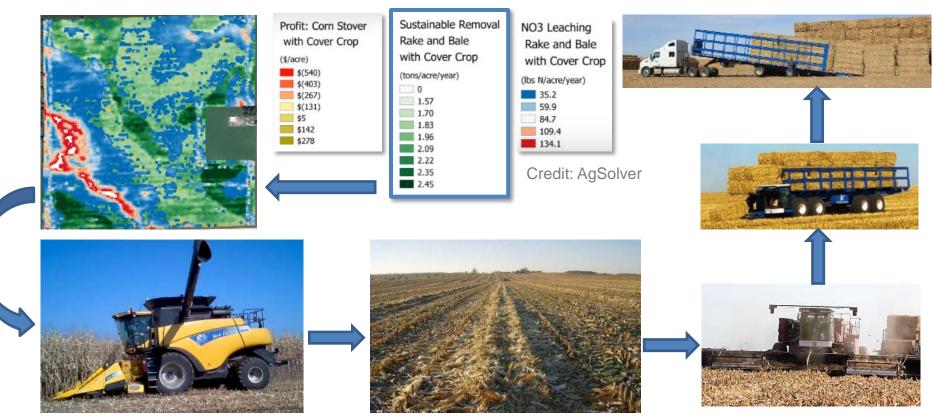


ldaha National Laboratory





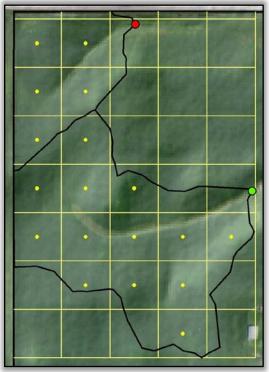
Straeter Header: Sustainable, Variable-Rate Harvest



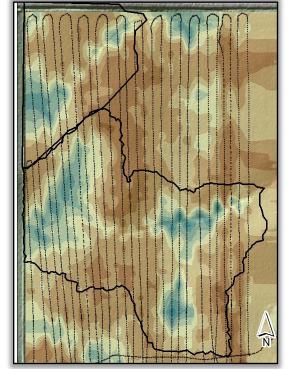
Advanced Data Analytics + Advances in Machine & Controls Technology and Feedstock Logistics = Improved: Sustainability, Biomass Supply Potential, Economics

USDA-ARS: Monitoring Site Selection

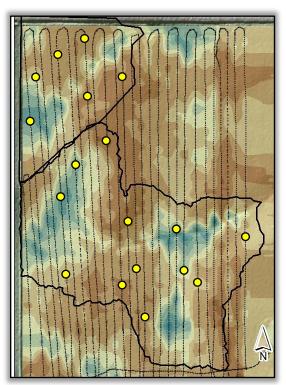
- Site selection based on available acres enrolled in BLDP
- Electrical conductivity mapping (EM) used to map soil properties
- Soil sampling directed by statistical models to capture site variability
- Sampling to begin Spring 2017/Fall 2017



Traditional grid-sampling (1-acre grid)



EM survey identifying landscape zone soils



Directed soil sampling

USDA-ARS: Soil Health Monitoring

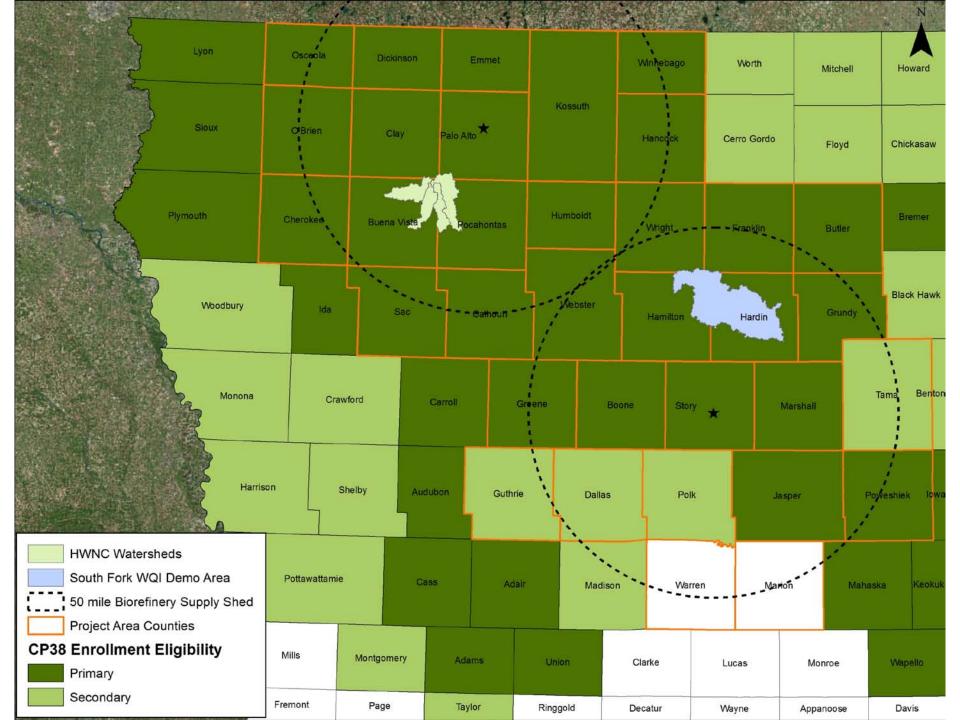
• GOAL: Evaluate impacts of converting from row-crop to perennial grass and subsequent biomass removal on soil health (23 metrics)

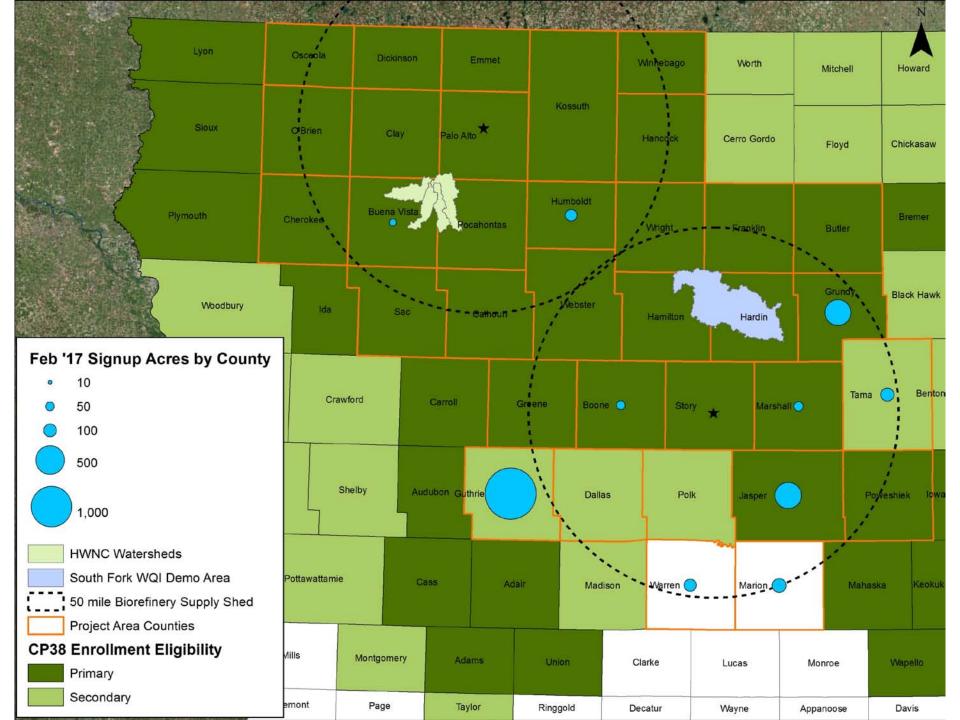
| Property | Soil Health Metrics | ARS Lead Scientist | Location |
|------------|---|--------------------|---------------|
| PHYSICAL | Bulk density | D. Karlen | Ames, IA |
| | Particle size analysis Dry aggregate size distribution | J. Johnson | Morris, MN |
| | Macro-/micro-aggregate stability | M. Mikha | Akron, CO |
| CHEMICAL | Soil pH Electrical conductivity Extractable P, K, Ca, Mg, Fe, Mn, Zn, Cu, B | D. Karlen | Ames, IA |
| BIOLOGICAL | Permanganate oxidizable C Autoclaveable citric acid-extractable N β –glucosidase activity Short-term mineralizable C | M. Lehman | Brookings, SD |
| | Soil organic carbon, total nitrogen | D. Karlen | Ames, IA |
| | Particulate organic matter | M. Mikha | Akron, CO |

 Input soil results into the Soil Management Assessment Framework (SMAF) to quantify management effects on soil health (Lead: V. Jin, Lincoln, NE)

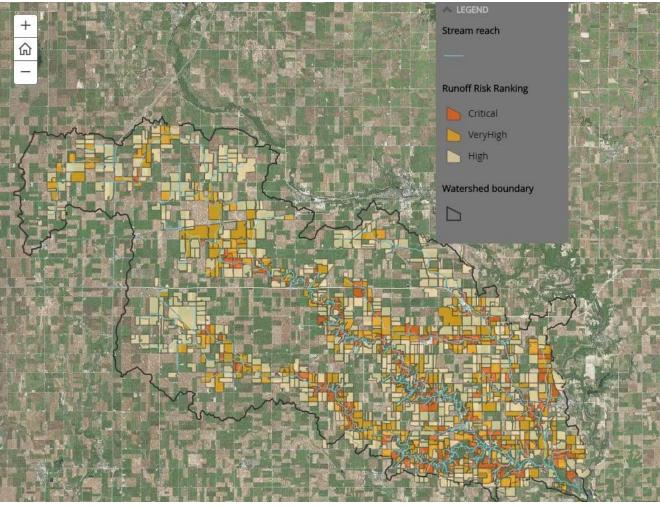
Technical Accomplishments

- Have signed up over 3,000 acres for project participation with the project
 - Not including stover harvest acres, switchgrass acres in Virginia (600 acres)
- Initial watershed-level opportunity mapping
- 20 producers taken through AgSolver analysis
- Field research planning, initial testing
- Modelling group and co-ordination underway
- Published paper on sustainability indicators
- Near completion of web-based sustainability tool





Landscape Analysis Tools



South Fork Watershed & The USDA



A Menu of Conservation Practice Opportunities in the South Fork of the Iowa River

greater may still be impacted by runoff, this is merely a suggestion.

Runoff Risk Assessment: Prioritize fields where multiple erosion control practices are most needed

| | Yes | No | |
|---|-----|----|----|
| | Tes | | NO |
| н | А | В | С |
| м | в | с | |
| Ĺ | с | | |

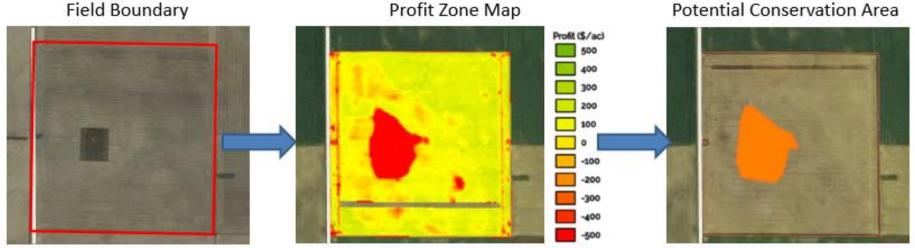
Drainage Water Management

The Inset map below shows a suitable area for Irainage water management between the South Fork and Tipton Creek channels. This is a relatively flat area within the watershed, making it ideal for drainade management

Tools such as the Agricultural Conservation Planning Framework (ACPF) are being used to Identify potential sites Landscape Design changes. In this case, the nutrient runoff risk is being assessed for the Southfork watershed.

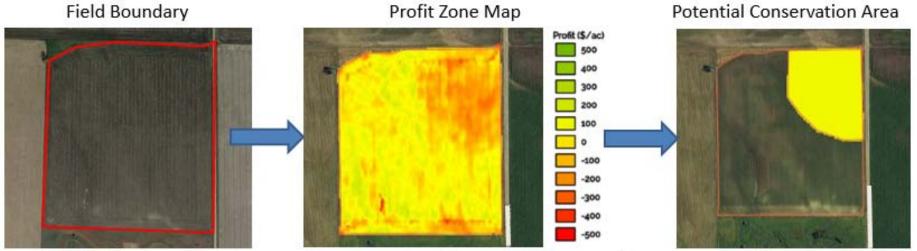
Initial Target Field Examples

AGS-002 Field Information



Total Field Size: 154.32 acres; Conservation Area: 15.3 acres; Conservation Practice: CSP

AGS-007 Field Information



Total Field Size: 65.26 acres; Conservation Area: 16.07 acres; Conservation Practice: CRP

Virginia Switchgrass Harvest

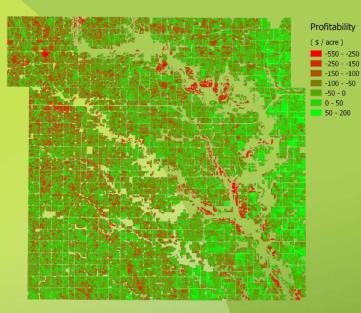


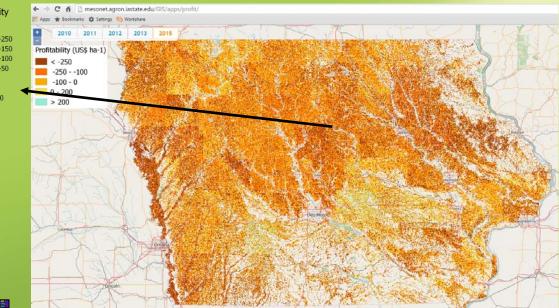


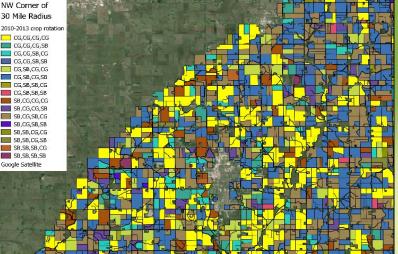
Relevance

- Project is focused on the most important region (today) for cellulosic biofuel production from herbaceous biomass
- We NEED better strategies for building energy crop supplies sustainably and profitably
- Examples from 3 key perspectives:
 - State-level
 - Biorefiner
 - Landowner

Identifying the Opportunities







- Between 2-3 million acres annually at an expected loss
- Over \$1B annually in misallocated working capital

Example Impacts for a Biorefinery

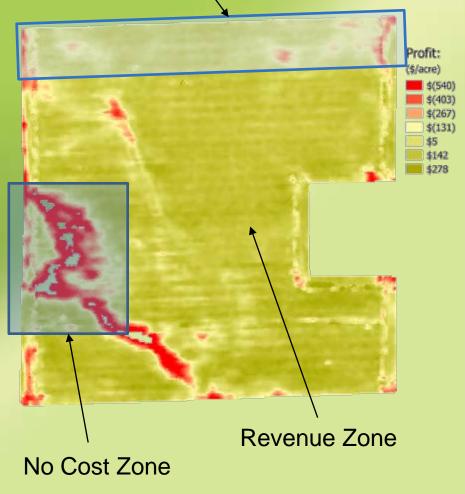
- Could our approach make a difference?
- Yes!
 - 120% increase in corn stover supply (sustainable)
 - 133% of
 biorefinery needs from
 grasses that
 provide
 conservation
 benefits

Biomass Supply Target Segments, Poet-DSM Supply Shed This segment is the These segments are identified **Total Land in** biorefinery's existing supply, as a potential new biomass **Biomass Supply** about 300,000 BDT/yr. supply from existing grass Shed, 50 mile Corn stover supplies lands, about 372,000 radius could potentially (~5 million acres) BDT/yr (potential). be sustainably increased by 120% from these acres **Total Supply Shed** through more (2) **Corn Ground** sophisticated (~2.5 million acres/yr, planning & Existing Biorefinery 1.2 million acres in corn analysis Conservation **Corn Stover** 3 of 4 years, tools from Land In Supply Acres 420,000 acres in AgSolver. Biomass (~300,000 acres) continuous corn) Supply Sh otal Land (186.000)Owned by Corn Stover Economically Suppliers Attractive Conservation , **Energy Crop** 4) (5) **Opportunities on** (2)(3)**Corn Acres** These three These are ~60,000 acre corn acres segments are where AgSolver identified as the analysis can most attractive demonstrate an opportunities for economic driver developing economically for farmer to replace viable new biomass supplies from conservation / energy corn acres with conservation crop grasses, about 396,000 grasses / energy crops. (~24,000 BDT/yr net above corn stover yield, in area #4 alone). BDT/yr.

ROI Focused Agronomic Management

- Zonal Management to Increase Profits
- 143 acre field
- Estimated \$5,000 of additional profit per year (reduced expenses only)
- Environmental benefits from changed management in vulnerable zones
- New perennial biomass supply
 - Estimated 45 to 60 tons new biomass supply
- Optimized sustainable harvest of ag. residues
 - Estimated additional 80 to 100 tons per year (sustainably)

Expense Limited Zone



turning data into decisions for agriculture"

Seeking Combined Benefits

- We are seeking to help enable:
 - Increased conservation benefits, AND
 - Increased biomass supplies, AND
 - Increased farm profitability, AND
 - Increased rural employment opportunities, AND
 - Increased energy security through improved domestic potential to supply more energy renewably from biomass
- Changing the culture of agriculture is needed "The definition of insanity is doing something over and over again and expecting a different result."

5 – Future Work

- Research field selection and data collection
 - 24 fields, multi-year
 - Perennial grass (feedstock) establishment in targeted areas, 3,000 acres enrolled to date
 - 1,700 acres (minimum) by October 2018
 - Base model development to measure environmental and socioeconomic sustainability indicators
- Ongoing multi-stakeholder outreach activities
 Environmental and economic analysis of target fields
- Model Development and Optimization Efforts
- Annual harvest operations & monitoring

Summary

1. Overview

To further the bioenergy industry, a sustainable feedstock supply should be developed using proven Landscape Design changes that are environmentally beneficial, profitable to growers, and increase supplies to biomass end users.

2. Approach

The BLDP team is working to accomplish these objectives through identifying fields in our targeted region where profit-driven Landscape Design changes create measurable environmental & social benefits. Measured data will be used to optimize and validate research models that will be used to understand benefits to the region (watershed-level) as a whole.

3. Technical Accomplishments/Progress/Results

To date, the project team has secured ~3,000 acres of land for grass establishment under CP-38, using a FSA-approved bioenergy seed mix. USDA-ARS staff have developed plans to collect soil data from specific fields. Over 600 acres of switchgrass were harvested, with complete cost & performance data collected. The BMAS Sustainability Tool Interface is under development to implement a field-tested sustainability standard.

4. Relevance

Profit-driven (for the grower) Landscape Design changes, when implemented properly, will lead to a sustainable biomass feedstock supply. The data collected from these changes and the lessons learned will enable future successes in other bioenergy systems around the nation.

5. Future work

Ongoing multi-stakeholder outreach; field selection and data collection; Landscape Design implementation (selective perennial grass establishment); Biomass Sustainability Tool testing; modeling development & optimization; preparation for Stage Gate Meeting (April 2018)

Back-up Slide

Projected Impacts by 2030

| | Business as Usual: Projected CRP | Business as Usual with New Harvestable Acres: All New Acres Harvestable | Proposed Scenario: 10% of All New Conservation Acres are Enrolled in the Program |
|--|--|---|--|
| Total Acreage | 24,000,000 | 32,000,000 | 24,000,000 |
| CRP Bioenergy | 24,000,000 0 | 24,000,000 (75%) 8,000,000 (25%) | 21,885,000 (91%) 2,114,000 (9%) |
| Harvest Yield (tons/year) | 0 | 48,000,000 | 12,553,000 |
| Jobs Created (Annual FTE) ³ | 0 | 17,355 | 4,539 |
| Economic Value Biomass Market Value (\$80/ton) Avoided Petroleum Value (\$250/ton) | \$0 \$0 | \$3,840,000,000 \$12,000,000,000 | \$1,004,000,000 \$3,138,000,000 |
| Nutrient Runoff Reduction ¹ Nitrogen Phosphorus | 85% 75% | 72% 34% | 83% 69% |
| Net Decrease in Erosion vs. Row Crop ² | 98.6% | 78.1% | 95.7% |