

Innovative Natural Resource Solutions, LLC
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Wood Supply cont.
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suppliers and developers on their needs and perceptions, then bringing over 100 industry leaders together for a one-day workshop to address the issue. The report, available at www.esfpa.org or directly from INRS, presents the unfiltered views of biomass suppliers and developers, and offers ways that both parties can meet their needs. INRS worked with a diverse group of consulting firms on this groundbreaking project, funded by the USDA Forest Service Wood Education & Resource Center and NYSERDA.

Manatees cont. from page 6
developing a management plan for the property and securing federal funds. The US Fish and Wildlife Service has already pledged \$250,000 and has ranked the project its #1 priority in the Southeast. The plan is nearly complete and will include a large visitor center, manatee viewing platforms, marsh and swamp restoration, hiking and bike trails, a kayak landing, a parking lot, outdoor and indoor classrooms, and a picnic area.

The deal is scheduled to close in June 2009, after which the management plan will be implemented over the next several years. INRS is privileged to part of such a spirited partnership.

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Solutions...

A periodic newsletter for clients and friends of Innovative Natural Resource Solutions, LLC

A Letter from the President

While we at Innovative Natural Resource Solutions LLC believe we are change agents, or, at least, are given wonderful opportunities to work with those who shake things up in the natural resource world, a year ago we could not have come close to predicting the change experienced in this country and beyond in the last twelve months. Let's see: an economy upside down; energy prices through the roof and then through the floor; economic collapse here and abroad; the federal government looking to bail out (with our hard-earned money) nearly everyone

who asks; and a new Democratic administration in Washington to go along with a Congressional majority of the same. Whew!

We've also seen a big change on the home front: we are pleased to welcome new associate Erin Quigley to our firm. Please see her bio on page 7 of this newsletter.

INRS has been fortunate to have a diversity of service areas that have kept us strong, despite the megachanges. We look to a positive 2009 and wish you the same. We believe all change and struggles pro-

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INRS in the News

Vice President Eric Kingsley was the featured guest on “Inside Maine Business”, the state’s weekly business television show. Topics addressed during the half-hour episode featuring Kingsley included the state’s diverse forest products industry, the opportunities and challenges that energy markets present to the forest products industry, and ways that Maine forest industries are facing current economic challenges. Watch the episode at <http://www.inrslc.com/news.html>.



Chipper on log landing.

Letter from the President
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vide for opportunity. Some highlights of what we are working on are included in this newsletter. I wanted to review a tiny sample of interesting and rewarding work we have been fortunate to be involved in during the last year:

Biomass energy – This work continues to be a major focus of our efforts. We conducted wood supply studies or developed related analyses for over a dozen projects all over the country this past year. We completed the work of a biomass infrastructure analysis for the State of Massachusetts for the Massachusetts Technology Collaborative. You can find the results

at www.inrslc.com and look under publications for “Forest Harvesting Systems for Biomass Production...”. We also completed a detailed analysis for the United States for the National Association of State Foresters entitled “A Strategy for Increasing the Use of Woody Biomass for Energy”. You can get a copy of the report at www.stateforesters.org/node/955. And we have been part of a multi-country team working on “Bioenergy/Biochemical Strategy for New Brunswick, Nova Scotia and Maine”. Reports to come.

Land Conservation – We continue to work with many

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Erin Quigley Hired as Associate



In June of 2008, Erin Quigley joined INRS as its Associate, assisting company principals in a wide variety of natural resource management projects.

Charles Levesque said, “We are very excited to have Erin join our firm. She brings a wealth of knowledge and energy that will benefit our clients and the greater good we try to impart on all of our projects.”

Before joining INRS, Erin received a Masters degree in Natural Resources at the University of Vermont in Burlington. Her thesis research involved the creation of a land-use-based carbon budget for Chittenden County, VT. While at UVM she also worked as a research assistant in the Car-

bon Dynamics Lab, as a teaching assistant for NR 001, Natural History and Field Ecology, and as a research technician for Carbon Dynamics LLC, where she assisted the Center for Climate Strategies and the State of Iowa in creating forestry-related climate policy recommendations.

Prior to graduate school, Ms. Quigley worked as a field technician for the USDA Forest Service Northeastern Research Station in Durham, New Hampshire, where she studied the effects of hemlock woolly adelgid on northern forests.

In addition to her recent MS, Ms. Quigley holds a Bachelor’s degree in sociology and anthropology, with a concentration in archaeology, from Carleton College in Northfield, Minnesota. She currently resides in Harrisville, NH where she enjoys hiking, telemark skiing, growing and eating food and playing old time fiddle.

Three Sisters Acquisition Saves Manatees

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\$12 million to purchase the property, and design a management plan that will protect the springs and make this unique resource a showcase for the National Wildlife Refuge System.

In 2007 the Friends group sought help from the National Wildlife Refuge Association to add the Three Sisters property to the Crystal River National Wildlife Refuge, which had been established specifically to protect the manatee. The NWRA in turn contacted INRS. The Refuge had made a failed attempt to acquire Three Sisters several years ago, and this would be the last opportunity or the property would be lost to development.

The importance of the project attracted the attention of numerous partners, including The Conservation Fund. The Fund, with an experienced and able conservation manager, negotiated with the landowner and coordinated the real estate transactions.

However, the Refuge was only able to provide \$2-3 million of

the \$12 million purchase price. How could the refuge own and manage Three Sisters under these conditions? "INRS developed a conservation strategy where the Refuge would be the fee holder of the property, along with the water management district, and the State of Florida Community Trust Program would grant money to the City of Crystal River matched by private monies to own the conservation easement over the property. This was a critical development in the project," says George Wilson of The Conservation Fund.

Once the strategy was in place, INRS began working with its partners to raise money. Success came early with a \$2 million lead grant from the Felburn Foundation, followed by large donations from the City, County, private sources, the Florida Community Trust and the Jane's Trust Foundation. "INRS, for NWRA, has been critical in the successful raising of funds for Three Sisters," said Lace Blue of the Friends.

Now attention is focused on

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Houghton Speaks on Bison and Wildlife Refuges

INRS principal David Houghton traveled to Rapid City, South Dakota in mid-November to speak at the American Bison Society's 2008 conference, entitled "The Ecological Restoration of Bison in North America." The conference engagement supplemented collaboration between INRS and the National Wildlife Refuge Association on the development of American bison conservation strategies in and around National Wildlife Refuges.

David began his talk by introducing conference attendees to the National Wildlife Refuge system and outlining current bison management strategies in refuges. He also discussed how changes to bison management could benefit both refuges and bison into the future.

Currently most refuge bison herds are managed on small land areas. They are often fenced and rotated rather than allowed to roam as wild herds. David and the NWRA recommended a new



The majestic American bison.

model in which larger, landscape-scale refuges are created, allowing herds to move freely across the large areas over which they prefer to graze. In this way, bison could fulfill their natural role as prairie managers, creating habitat for migratory birds, prairie dogs and their predators, and other prairie wildlife. Bison would also help restore natural grass species to the prairie ecosystem, many of which have been outcompeted by grasses better adapted to the grazing habits of cattle.

The talk also emphasized the role of bison as iconographic figures, and recommended the use of bison by refuges as public engagement and educational tools.

Letter from the President cont. from page 2



INRS has been fortunate to have a diversity of service areas that have kept us strong, despite these many changes.



public, private and non-profit clients in this area. We have worked with the National Wildlife Refuge Association, Open Space Institute and Wildlife Management Institute among many others. This work includes efforts to conserve the endangered manatee in Florida, important bottomland habitat in the Lower Mississippi Alluvial Plain, Bobolink habitat in the northeast, and cottontail rabbits in the northeast. Strategic work included initial analysis to determine land conservation priorities and opportunities in the greater area of eastern Canada and the northeastern U.S. An excursion to Africa and another planned for Russia round out far reaching conservation efforts.

Certification and other areas – INRS provided forest certification and Chain-of-Custody auditing and consulting services in eighteen states in

the U.S. in 2008. Markets for certified wood under the Forest Stewardship Council, Sustainable Forestry Initiative and American Tree Farm Program (the latter two now part of the international Programme for the Endorsement of Forest Certification) continue to grow in this country and beyond. Many other projects graced our firm including: work with the Northeastern Vermont Development Association on a woodworker coalition in Vermont and New Hampshire, forest management work for private landowners and much more.

Please call us if we can be of assistance. We thank you for the continuing relationship we have with you.

Charles A. Levesque
President

Project Tackles Biomass Market Structure

INRS, working for the Empire State Forest Products Association, recently completed a project addressing the challenges that biomass project developers often face when attempting to secure long-term commitments for fuel.

As interest in large-scale biomass power and bio-fuel production increases, developers are evaluating fuel pricing and fuel purchase strategies. Unlike other commodities, wood fuel trades almost exclusively on a spot market, and long-term contracting has proven to be a significant challenge for developers.

Wood supply is critical to developing a biomass power project, but challenging. Wood fuel can represent 80% or more of the project's operating cost. How-

ever, unlike most commodities and energy sources, wood fuel cannot be securely purchased on long-term, fixed price contracts.

For biomass developers, and the institutions that finance them, the lack of a secure and known price fuel supply is a major development hurdle. Developers are understandably nervous, and often unwilling, to spend tens of millions of dollars (or more) on new biomass projects without knowing, with a high degree of certainty, what their fuel costs will be. INRS is aware of biomass energy projects that have not moved forward because of fuel supply price/availability uncertainty.

The project addressed this challenge by interviewing

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Three Sisters Acquisition Saves Manatees

Three Sisters is a 58 acre property on the Gulf Coast of Florida, with five warm water springs essential to wintering West Indian manatees. They need the warm water to survive cold temperatures. The property was originally slated for the development of 450 condos,

but this use would devastate the manatee and many other wildlife species. INRS, with the National Wildlife Refuge Association and the Friends of Chasahowitzka National Wildlife Refuge Complex, has been working to implement a conservation strategy, raise nearly

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