



**American Forest & Paper Association  
and  
American Wood Council**

**Statement Submitted for the Record  
House Energy and Commerce Committee  
Subcommittee on Energy & Power**

**EPA's Proposed "Carbon Pollution Emission Guidelines for Existing Stationary  
Sources: Electric Utility Generating Units"  
June 19, 2014**

The American Forest & Paper Association (AF&PA) and the American Wood Council appreciate this opportunity to provide the following views to the House Energy and Power Subcommittee concerning the EPA's proposed carbon pollution emission guidelines for existing electric utility generating units (Proposal).

The American Forest & Paper Association (AF&PA) serves to advance a sustainable U.S. pulp, paper, packaging, and wood products manufacturing industry through fact-based public policy and marketplace advocacy. AF&PA member companies make products essential for everyday life from renewable and recyclable resources and are committed to continuous improvement through the industry's sustainability initiative - *Better Practices, Better Planet 2020*. The forest products industry accounts for approximately 4 percent of the total U.S. manufacturing GDP, manufactures approximately \$210 billion in products annually, and employs nearly 900,000 men and women. The industry meets a payroll of approximately \$50 billion annually and is among the top 10 manufacturing sector employers in 47 states.

The American Wood Council (AWC) is the voice of North American traditional and engineered wood products, representing over 75% of the industry. From a renewable resource that absorbs and sequesters carbon, the wood products industry makes products that are essential to everyday life and employs over one-third of a million men and women in well-paying jobs. AWC's engineers, technologists, scientists, and building code experts develop state-of-the-art engineering data, technology, and standards on structural wood products for use by design professionals, building officials, and wood products manufacturers to assure the safe and efficient design and use of wood structural components. AWC also provides technical, legal, and economic information on wood design, green building, and manufacturing environmental regulations advocating for balanced government policies that sustain the wood products industry.

EPA's "Clean Power Plan" to regulate greenhouse gases from existing power plants effectively reshapes our nation's energy supply, forcing new fuel choices on utilities contrary to the market. In setting the emission rate targets for each state, EPA is making judgments about what energy mix is possible for that state or neighboring states. This Plan impacts all users of electricity. The forest products industry is energy-intensive and spent over \$5 billion on purchased electricity in 2011. Because we operate in a highly competitive global market, increases in our energy costs can significantly harm the competitiveness of the U.S. industry. We have stated before that the Clean Air Act is the wrong tool to address greenhouse gas emissions, and we are concerned that EPA's proposal could have unintended consequences.

For the time being, the Plan treats biomass CO<sub>2</sub> emissions the same as fossil fuel emissions even though EPA acknowledges that using biomass for energy can have climate benefits compared to using fossil fuels and can help reduce greenhouse gases. Despite the differences between fossil fuel and biomass used for energy, EPA nevertheless for the time being proposes to regulate biogenic CO<sub>2</sub> emissions the same as fossil fuel without a scientific basis to do so. EPA also fails to justify including such biogenic CO<sub>2</sub> emissions for purposes of determining applicability and compliance with the standards prior to completing its pending Accounting Framework for Biogenic CO<sub>2</sub> Emissions from Stationary Sources (Accounting Framework).

As EPA and other governments around the world have long recognized, burning biomass for energy recovery is different than burning fossil fuel. Biomass combustion is one part of the continuous cycling of carbon between the atmosphere and biomass stocks via photosynthesis.<sup>1</sup> Unlike the biomass carbon cycle, carbon from fossil fuels will not be removed from the atmosphere in the near future through regeneration of the fossil fuel.

In the United States, biomass stocks currently represent a strong GHG sink, with U.S. forests alone sequestering over 15% of U.S. GHG emissions in 2012.<sup>2</sup> U.S. Forest Service data indicate that net forest growth exceeded removals by 72 percent in 2006.<sup>3</sup> EPA's own analysis concluded that, in the United States, land use, land-use change, and forestry activities in 2011 resulted in a net carbon sequestration, representing an offset of approximately 13.5 percent of total U.S. CO<sub>2</sub> emissions.<sup>4</sup> The logical

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<sup>1</sup> As forests grow, CO<sub>2</sub> is removed from the atmosphere via photosynthesis. This CO<sub>2</sub> is converted into organic carbon and stored in woody biomass. Trees release the stored carbon when they die, decay, or are combusted. As biomass carbon is released, the carbon cycle is completed. The carbon in biomass will return to the atmosphere regardless of whether it is burned for energy, allowed to biodegrade, or lost in a forest fire.

<sup>2</sup> See EPA, Draft Inventory of U.S. Greenhouse Gas Emissions and Sinks: 1990–2012, Feb. 2014, at p. ES-20. See also, e.g., Heath, L.S., et al., Managed Forest Carbon Estimates for the U.S. Greenhouse Gas Inventory, 1990-2008, *Journal of Forestry* 109(3): 167-73 (2011) (finding that overall forest sequestration is increasing and projecting that forest carbon stocks will remain stable for the foreseeable future).

<sup>3</sup> Forest Resources of the United States," U.S. Forest Service, Table 36.

<sup>4</sup> EPA, Inventory of U.S. Greenhouse Gas Emissions and Sinks: 1990-2011, at 7-1 (Apr. 2013).

conclusion is that biogenic CO<sub>2</sub> emissions would not add to atmospheric carbon levels and therefore should be excluded from this rule.

The use of biomass for energy production is *not* the same as burning fossil fuels or purchasing fossil fuel-based electricity, and the time has come for EPA to fully recognize this in their regulations and policy. AF&PA and AWC recommend that EPA complete its Accounting Framework, acknowledge these carbon neutrality principles, and apply them consistently to its regulations. EPA also should clarify that the Proposal is intended to exclude all biogenic CO<sub>2</sub> associated with burning biomass pending EPA's completion of its Framework.

## **Conclusion**

Given the importance and far reaching impact of EPA's regulation of greenhouse gases from the power plant sector, EPA must fully examine the Proposal's impact on various manufacturing industries and commit to favorably addressing biomass used for energy. Until EPA has concluded its scientific review of biogenic CO<sub>2</sub> emissions, EPA should exclude biogenic CO<sub>2</sub> emissions as carbon neutral for applicability and compliance purposes under the rule.