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1200 Pennsylvania Avenue, NW

Washington, DC 20460

Attention Docket ID No. EPA-HQ-OAR-2003-0119/2006-0790/2002-0058

Dear Sir/Madam:

The Biomass Power Association (“BPA”) appreciates the opportunity to submit comments on the Proposed Standards of Performance for New Stationary Sources and Emission Guidelines for Existing Sources: Commercial and Industrial Solid Waste Incinerators (“CISWT”) (75 Fed.Reg.31938, June 4, 2010); National Emission Standards for Hazardous Air Pollutants for Major Sources: Industrial, Commercial, and Institutional Boilers and Process Heaters (75 Fed.Reg.32006, June 4, 2010 (“Boiler MACT”)); and Proposed National Emission Standard for Hazardous Air Pollutants for Area Sources: Industrial, Commercial, and Institutional Boilers (75 Fed Reg. 31896, June 4, 2010).

BPA is the Nation’s leading voice for the biomass to electricity sector. Our members utilize clean organic residues and by-products from agricultural and forestry activities, and convert that material to base-load, renewable electricity and thermal applications. We operate in 20 states, employ 14,000 hard working men and women, and contribute over \$1 billion of economic value, mostly in parts of rural America that continue to be plagued by double digit unemployment.

**EPA Needs to Appreciate Renewable Energy Policy Implications of these Rules**

We have a number of specific recommendations regarding these three inter-related rulemakings, which appear below. Before addressing the rule, however, it is critically important for EPA to understand both the gravity of the problem created by what has been proposed and the impact these rules will cause to a larger effort underway in this country to fight climate change, strengthen the health of our forests and agricultural lands, and grow the green jobs economy—each a critically

important policy initiative in the Congress, at the White House, and for the 46 states and territories who have adopted renewable portfolio standards that include support for biomass.

To place biomass energy in the context of the larger push for renewable energy, consider the current and potential significance of biomass power. DOE estimates that biomass generates 45 billion kilowatt-hours of electricity from biomass, or 1.2 percent of total electric energy sales. If on-site power is considered along with thermal, the actual contribution from biomass is four times that estimate. In any event, biomass provides over 50% of the Nation's renewable energy supply, and DOE believes that potential biomass could supply as much as 14 percent of the Nation's power needs by 2030. Without biomass, it is uniformly believed—from members of Congress to members of the Cabinet—that the Nation will be unable to meet increased renewable energy goals.

Unlike wind or solar, biomass energy is baseload generation, available 24/7, and does not require expensive new transmission infrastructure. And unlike many other renewable sources, biomass is a “jobs creating machine” for rural America. A recent study authored by Navigant Consulting estimated that the build out of biomass in just five southeastern states could double the Nation's biomass capacity and create 60,000 new jobs.

Biomass is not just an untapped source of renewable energy; it's also an enormous environmental challenge that poses significant ecological risks. Consider the recent call for help by the Western Governors Association for the federal government to adopt a “cohesive federal policy on the use of biomass for energy production” to combat pine bark beetle infestations that have decimated 21 million acres, creating ecological and safety risks to rural communities. As expressed by the WGA, “biomass utilization represents one of the most viable new means available to address this ecological crisis, while decreasing fossil fuel usage and stabilizing a depressed lumber and forest-product market.” See August 10, Press Release, “Increased Use of Biomass Energy, Improved Forest Health Requires Cohesive Federal Policy” (at [www.wga.org](http://www.wga.org))

You will hear from individual BPA members and others in related industries that as proposed, these rules are unachievable and could cause the closure of existing biomass energy plants and certainly frustrate the growth of this industry. If that were to happen, virtually every major renewable energy policy at the federal and state level would come to an abrupt halt

The Administration's support of biomass has been unwavering and involves almost every member of the Cabinet—

- **The White House.** In a series of seven Executive Orders, involving Presidents Clinton, Bush, and Obama, the federal government is mandated to “lead by example” and purchase 50% renewable power, including *biomass*. (13101 of September 14, 1998; 13123 of June 3, 1999, 13134 of August 12, 1999, 13148 of April 21, 2000, 13149 of April 21, 2000, 13514 of October 5, 2009). A Presidential Directive, signed by the President on May 5, 2010, directed the acceleration of investment in, and production of, various biofuels including biomass.

- **USDA.** The Agency launched an unprecedented effort through the Biomass Crop Assistance Program, to accelerate the industry and, according to Secretary Vilsack, “stimulate biomass production...that will benefit producers and provide materials necessary to generate clean energy and reduce carbon pollution.” To date, BCAP is responsible for over \$200 million in support for bioenergy. Other USDA programs include the Biorefinery Assistance Program (Section 9003 of the Farm Bill), the Rural Energy for America Program, and grants under the American Recovery and Reinvestment Act to enhance woody biomass utilization, totaling nearly \$55 million in 14 states.
- **DOE.** Secretary Chu has supported grants for wood-to-energy and forest utilization projects designed to “create jobs, promote our energy independence, and cut our carbon emissions by unlocking the enormous potential for renewable energy in the Western United States.”
- **Interior.** Secretary Salazar has created a federal task force to boost investment in biomass.
- **Council on Environmental Quality.** The Chair of the White House Council on Environmental Quality, Nancy Sutley has declared that biomass is among “the issues we are also focused on at the White House under the leadership of President Obama.” Indeed, CEQ recently proposed to exclude biofuel and biomass combustion from the federal government’s greenhouse gas accounting and reporting guidance because they are biogenic emissions in contrast to carbon from fossil fuels that “represents a net increase in atmospheric carbon...” See 75 Fed Reg.49913 (August 16, 2010)
- **EPA.** EPA has encouraged the use of biomass at coal plants fined for violating federal emission standards. A recently announced settlement with Ohio Edison involved the *requirement* that the utility increase biomass combustion to decrease its carbon emissions. EPA declared that “Today’s settlement improves air quality for the local community and reduces greenhouse emissions by requiring the use of a renewable, carbon-neutral fuel to generate electricity.” Joint EPA/DOJ Press Release dated August 12, 2009.
- **DOJ.** The Department of Justice has extolled the use of biomass to improve air quality at coal plants, commenting on the same settlement that “We are pleased that Ohio Edison has chosen to significantly reduce greenhouse gases and other pollutants ...and hope that [it] will become the standard-bearer for other companies considering conversion to renewable biomass fuels ...”

- **Treasury.** The Department of Treasury has awarded millions in so-called 1603 Grants to support new biomass to electricity facilities.
- **Commerce.** Finally, the Department of Commerce, through its International Trade Administration, has encouraged and supported US companies in the export of technology relating to biomass.

In Congress, biomass has been included in every single piece of renewable energy legislation beginning with the Public Utility Policy Act of 1978. Support for biomass is universal, bi-partisan, and spans the scope of virtually every major energy policy enacted by the Congress.

- Support for biomass receiving tax incentives like other renewables began in 1992 with passage of the National Energy Policy Act and has been continuous and unwavering.
- Biomass utilization has been supported through Congressional farm policy, most recently in Title IX of the Food, Conservation and Energy Act of 2008
- Most importantly, biomass is a cornerstone of Waxman Markey (HR 2454) and Bingaman (S.1462) , and is included in every major proposed effort by Congress to adopt a federal renewable energy standard—a goal that President Obama has voiced long-standing support for.

Finally, biomass plays a critically important role in the efforts by states to achieve renewable goals. Forty six states and US territories have some form of a renewable portfolio standard; virtually all of these states include biomass, which is considered critical in meeting state goals. For example, in Massachusetts, it is estimated that in 2008, biomass provided nearly 40% of the Commonwealth's supply. See MA RPS Compliance Report for 2008 at page 10. In the Southeast, the potential for biomass is enormous. The Southern Alliance for Clean Energy to recently estimated that the resource in that region could provide up to 25% of its power needs by 2025.

Internationally, the support for biomass is widespread. The United Kingdom recently announced that it would remove an obstacle to financing biomass power plants by supporting the industry through obligations on utilities to use biomass power for the next 20 years. Bloomberg, July 27, 2010. And recently, the European Commission declared that biomass has a “large potential as a source of renewable energy and greenhouse gas reductions. In fact, the EU predicts that biomass could reduce carbon dioxide 55 to 98 percent but only with a “concerted effort by companies and public institutions to remove a number of significant growth barriers.” “Biomass for Heat and Power,” European Climate Foundation.

## **The Proposed Rules are Uneconomic, Unachievable and Will Frustrate the Nation's Renewable Energy Goals at a Time of Grave Economic Conditions**

In light of the overwhelming support for biomass from every corner of government, it is imperative that EPA adopt a rule that is protective of the public health and the environment while also allowing this critically important energy source to be fully utilized. We are concerned that the proposed rules will impose tens of billions of dollars in capital costs at thousands of facilities across the country. Thus, we ask EPA to consider flexible approaches that appropriately address the diversity of boilers, operations, sectors, and fuels that could prevent severe job losses and billions of dollars in unnecessary regulatory costs. In this regard, we ask you to consider three particular issues.

First, the proposal asks for comment on an approach that would allow facilities to demonstrate that emissions of certain pollutants do not pose a public health threat. We believe EPA has such flexibility under section 112(d)(4). We believe that provision reflects Congress' intent to provide for flexibility where there is not a public health threat. In such cases, it makes sense to allow that approach in the final rule for threshold substances such as hydrogen chloride and manganese.

Second, in the CISWI MACT rule EPA's selected categories groups units burning different waste materials, making it difficult if not impossible for many units to meet derived standards, even with expensive state-of-the-art emissions reduction equipment. EPA should take advantage of its ability to subcategorize units enabled under Section 129 and provide facilities with the opportunity to meet the standards at reasonable costs. On this point, it is worth noting that the plants selected by EPA are totally unrepresentative of the biomass industry—they assume dry, specialized fuel and as such are not typical for biomass boilers in use today.

Third, in these CAA rules, we believe EPA should use a method to set emissions standards that are based on what real world best performing units actually can achieve. Unfortunately, the Agency's approach which sets standards pollutant-by-pollutant does not reflect what real world units achieve in practice, despite the fact that EPA has the technical and legal discretion to promulgate standards that are much more reasonable. In addition, EPA should assure that its emissions databases are representative of all units and operating periods, and that its standards encompass the practical capabilities of controls and the variability in operations, fuels, raw materials and emissions performance across the many regulated sectors. A significant problem, as will be noted by others, is that the emission standards make no accommodation for startup and/or shutdown.

As EPA turns to developing final rules, we hope you will carefully consider sustainable approaches that protect the environment and public health while fostering economic recovery, jobs, and greater energy independence.

Thank you for your consideration of these views.

Sincerely,

A handwritten signature in blue ink that reads "Robert E. Cleaves" followed by a stylized flourish or initials.

Robert E. Cleaves  
President & CEO  
Biomass Power Association