



**American
Forest & Paper
Association**

July 26, 2019

(Via e-mail to DOER.RPS@mass.gov)

Mr. John Wassam
Department of Energy Resources,
100 Cambridge Street,
Suite 1020,
Boston, MA 02114

**Re: AF&PA Comments on Proposed Revisions to Renewable Portfolio
Standard (RPS) Class I and Class II Regulations and Associated Guidelines**

Dear Mr. Wassam:

The American Forest & Paper Association (AF&PA) appreciates the opportunity to provide comments on the Class I and Class II Regulations and associated Guidelines. Our comments are limited to the woody biomass provisions of the regulations. As the proposed Class II woody biomass revisions are consistent with those for Class I, we refer to both as the Proposed Regulations. Further, since the Guidelines are intended to implement the Proposed Regulations, please consider our comments as applicable to the Guidelines as well.

The American Forest & Paper Association (AF&PA) serves to advance a sustainable U.S. pulp, paper, packaging, tissue 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 four percent of the total U.S. manufacturing GDP, manufactures nearly \$300 billion in products annually and employs approximately 950,000 men and women. The industry meets a payroll of approximately \$55 billion annually and is among the top 10 manufacturing sector employers in 45 states.

AF&PA's sustainability initiative - [*Better Practices, Better Planet 2020*](#) - comprises one of the most extensive quantifiable sets of sustainability goals for a U.S. manufacturing

industry and is the latest example of our members' proactive commitment to the long-term success of our industry, our communities and our environment. We have long been responsible stewards of our planet's resources. We are proud to report that our members have already achieved the greenhouse gas reduction and workplace safety goals. Our member companies have also collectively made significant progress in each of the following goals: increasing paper recovery for recycling; improving energy efficiency; promoting sustainable forestry practices; and reducing water use.

In Massachusetts, the forest products industry operates almost 130 manufacturing facilities and employs more than 12,000 individuals with an annual payroll of over \$800 million and produces more than \$4 billion in product each year. It is estimated that each job in a paper mill on average supports about 3.25 times as many jobs in the local community and the supply chain. The estimated state and local taxes paid by the Massachusetts forest products industry totals \$84 million annually.

AF&PA Members Have Increased Renewable Energy and Reduced Fossil Fuel Use and Greenhouse Gas (GHG) Emissions

The forest products industry produces and uses renewable energy for manufacturing operations and is a significant contributor to our country's existing base of renewable energy. In fact, forest and paper products facilities account for 62 percent of the renewable biomass energy used by all manufacturing facilities in the U.S. in all sectors. On average, over 66 percent of the energy used at AF&PA member pulp and paper mills is generated from carbon-neutral biomass. This is an increase of about 9 percent for member pulp and paper mills since 2000.

The industry also strives to use that energy, and all energy, as efficiently as possible. The industry is a leader in the use of highly-efficient combined heat and power (CHP), or cogeneration. CHP is extremely efficient because it uses the same fuel to produce both thermal energy used in the manufacturing process and electricity, some used on-site and some sold to the grid. In 2016, pulp, paper, packaging, and wood products mill produced 30 percent of the CHP electricity generated by manufacturing facilities. In fact, 98 percent of electricity produced by the industry was CHP-generated.

Energy purchased by member pulp and paper mills and wood product facilities – most of which is fossil fuel based – was reduced by 11.6 percent since 2005, achieving our *Better Practices, Better Planet 2020* goal of a 10 percent reduction in purchased energy.

Our commitments to renewable biomass energy and energy efficiency have led to a dramatic decrease in the use of fossil fuel, and GHG emissions. In 2016, we have

reduced emissions intensity by 19.9 percent, nearly achieving our goal of a 20 percent reduction since 2005.

AF&PA Supports the Proposed Regulations' Streamlining Provisions and Revised Efficiency Standards

The Proposed Regulations would begin correcting the restrictive change in direction regarding renewable biomass energy that occurred when the RPS was amended to incorporate the Manomet Study findings. AF&PA did not support the study or the proposed RPS changes due to their lack of a scientific or sound policy basis for both. The change resulted in virtually barring AF&PA members' participation in the RPS; the Proposed Regulations are a step in the right direction to begin to correct that outcome.

We support the provisions in the Proposed Regulations that would streamline and simplify the process for qualifying woody biomass in the RPS regulations. We also urge the Department to recognize forest management programs in other states with facilities that may sell Renewable Energy Credits into Massachusetts that serve the same objective—to encourage and provide documentation of sustainable forest management practices.

AF&PA also supports the Proposed Regulations' revised efficiency requirements. Under current regulations, the efficiency requirement depends on the category of Eligible Biomass Woody Fuel that is combusted. The Proposed Regulations would change the current 50 percent efficiency requirements for certain facilities combusting Eligible Biomass Woody Fuel. Specifically, under the Proposed Regulations, the efficiency requirement for facilities combusting Eligible Biomass Woody Fuel that has 5 percent or more of its fuel sourced from Forest Derived Residues and Forest Derived Thinnings would retain the 50 percent requirement. However, a facility with over 95 percent of its fuel sourced from Forest Salvage and Non-Forest Derived Residues would have no efficiency requirement. While we do not support separate biomass categories with differing requirements, we do believe that this revised efficiency standard would enable additional plants and fuels to qualify under the RPS and help the Commonwealth achieve its renewable energy objectives.

We believe the Department could further improve the RPS in two ways. First, we urge the Department to remove the efficiency requirement for other categories of Eligible Biomass Woody Fuel. Second, we appreciate the streamlining of the definition of Non-forest Derived Residues, and the reference to forest products industry residues in the definition. The limitation to "Clean Wood," however, is too restrictive and it would

unduly constrain the kinds of forest products manufacturing residuals that could qualify under the RPS.

Conclusion

The forest product industry has played an important role in helping Massachusetts meet its renewable energy requirements. The industry has increased its renewable energy capacity and the efficiency with which it uses energy. This has displaced fossil fuel use.

Our nation's renewable energy future demands low-cost reliable, base load energy, and the forest products industry can be a key part of the solution if there is a level playing field.

Thank you for your consideration of our comments. Please contact Jerry Schwartz (Jerry_Schwartz@afandpa.org) if you have any questions.

Sincerely,

A handwritten signature in blue ink, appearing to read "Paul Noe".

Paul Noe
Vice President, Public Policy
American Forest & Paper Association