



U.S. Environmental Protection Agency EPA Docket Center Docket ID No. EPA-HQ-OAR-2017-0355 Mailcode 28221T 1200 Pennsylvania Avenue, NW. Washington, DC 20460 October 31, 2018

Re: Comments on proposed revisions to guidelines for state programs to limit greenhouse gas emissions from existing electric utility generating units and related actions

#### Dear Sir or Madam:

We are writing to offer the comments of the American Forest & Paper Association (AF&PA) and American Wood Council (AWC) on EPA's proposed actions related to state plans to limit greenhouse gas ("GHG") emissions from existing electric utility generating units ("EGUs"), published August 31, 2018 (83 Fed. Reg. 44,746 (the "Proposed Rule"), which EPA refers to as the Affordable Clean Energy rule. These comments generally support the Proposed Rule but also offer some suggestions for changes or clarifications.

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 - <u>Better Practices, Better Planet 2020</u>. The forest products industry accounts for approximately 4 percent of the total U.S. manufacturing GDP, manufactures over \$200 billion in products annually, and employs approximately 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 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.

The American Wood Council (AWC) is the voice of North American wood products manufacturing, an industry that provides approximately 400,000 men and women in the United States with family-wage jobs. AWC represents 86 percent of the structural wood products industry, and members make products that are essential to everyday life from a renewable resource that absorbs and sequesters carbon. Staff experts develop state-of-the-art engineering data, technology, and standards for wood products to assure their safe and efficient design, as well as provide information on wood design, green building, and environmental regulations. AWC also advocates for balanced government policies that affect wood products.

AF&PA's and AWC's members are both large consumers of electricity and, in some instances, operators of their own electricity generators. They also are large consumers of forest biomass, as both raw material and fuel, and, for some members, the stewards of significant forest resources. So AF&PA and AWC have a strong interest in how EPA may regulate emissions of GHGs, and in particular GHG emissions from EGUs.

In general, AF&PA and AWC support the Proposed Rule. If EPA adopts revised New Source Performance Standards (NSPS) for GHG emissions from EGUs or reinstates the currently suspended NSPS for EGU GHG emissions, the Proposed Rule would be a reasonable approach to guidelines for state plans for existing EGUs under CAA § 111(d). Whereas the Clean Power Plan rule (the "CPP") that the Proposed Rule would replace exceeded EPA's Clean Air Act authority and mandated a wholesale restructuring of the nation's electricity generating system, the Proposed Rule constitutes a measured step to make feasible reductions in EGU GHG emissions within the scope of the Clean Air Act. It also accords substantial discretion to the states to craft their own plans under CAA § 111(d) and to try a variety of approaches, which is key when dealing with emissions for which demonstrated add-on control technology is not available, where measures to control GHG emissions from EGUs have the potential to impact, directly or indirectly, a wide swath of the U.S. economy, affecting the cost and, potentially, the reliability of electricity supplies critical to the nation's manufacturers, commercial and other institutions, governments, and households.<sup>2</sup>

those coalition comments.

AF&PA is participating in a coalition of a half-dozen trade associations and business organizations that is filing comments on the Proposed Rule. These comments supplement

<sup>2</sup> Note that these comments address GHG emission standards for EGUs in particular. NSPS and CAA § 111(d) guidelines for state existing-source emission standards are source-category-specific determinations that must reflect the particular circumstances of the type of source, and so the appropriate approach to setting emission standards for the unique

AF&PA and AWC also support EPA's continued decision to limit emission guidelines in the Proposed Rule to fossil-fuel-fired EGUs. As explained in greater detail in AF&PA and AWC's February 26, 2018 comments on EPA's Advance Notice of Proposed Rulemaking for revised Section 111(d) guidelines for existing EGUs, published December 28, 2017 (82 Fed. Reg. 61,507) (EPA Docket No. EPA-HQ-OAR-2017-0545), incorporated herein by reference (the "AF&PA/AWC ANPRM Comments"), there are substantial scientific, legal, and policy reasons why it is appropriate for EPA to limit these guidelines to EGUs firing fossil fuel, as EPA has done with NSPS since the 1970s. And in any event, under the statute, expanding the scope of the EGU Section 111(d) guidelines would require EPA first to expand the scope of the EGU NSPS to cover EGUs firing non-fossil fuels. Cf. 40 C.F.R. § 60.5509(a)(1); 80 Fed. Reg. at 64,533 (October 23, 2015) ("Specifically, units that are capable of burning 50 percent or more non-fossil fuel are exempt from the final standards so long as they are subject to a federally enforceable permit that limits their use of fossil fuels to 10 percent or less of their heat input capacity on an annual basis."); see also id. ("The intent of this rulemaking is to establish CO<sub>2</sub> standards for fossil fuel-fired EGUs, not for non-fossil fuel-fired EGUs.").

In the following comments, AF&PA and AWC focus on issues of particular interest to our members, concerning how state plans under CAA § 111(d) for EGUs pursuant to the guidelines in the Proposed Rule may address biomass, and in particular woody biomass that may be taken directly from forests or may be a residual produced by manufacturing processes for which forest biomass is a raw material, including post-use wood products.

## 1. The Proposed Rule Correctly Notes that Use of Biomass as Fuel Can Be an Effective Means of Reducing GHG Emissions from EGUs.

In the preamble to the Proposed Rule, EPA briefly explains that EPA's "policy is to treat biogenic CO<sub>2</sub> emissions resulting from the combustion of biomass from managed forests at stationary sources for energy production as carbon neutral" and describes why co-firing or substituting forest-derived biomass for coal could be an appropriate compliance option for EGUs subject to GHG emission limits under state Section 111(d) plans. 83 Fed. Reg. at 44,766. AF&PA and AWC support that conclusion and point out that it could have been stated more conclusively and more broadly.

Biogenic CO<sub>2</sub> emissions have a fundamentally different effect on the concentration of greenhouse gases in the atmosphere than do emissions from combustion of fossil fuels, in two respects: (1) they represent a return to the atmosphere of CO<sub>2</sub> recently removed from the atmosphere through photosynthesis, and (2) in some cases, if biomass is not used as a fuel or as a feedstock, there will

characteristics of EGUs will not necessarily be the appropriate approach for other source categories.

still be emissions of greenhouse gases from the alternative fate of that biomass.<sup>3</sup> Neither of those characteristics applies to use of fossil fuel, where carbon is being removed from geological stocks and transferred to the atmosphere, something that would not occur but for extraction and combustion of the fossil fuel. By the same token, the geological stock of carbon is not, and cannot be, renewed in conjunction with burning fossil fuels, in contrast to biomass-based fuels, where harvested biomass is being replaced with new growth, and indeed the economic value of biomass as a fuel provides an incentive for re-planting and growth of new biomass.

EPA has recognized this critical distinction between emissions from burning fossil fuel and emissions from burning biomass-derived fuel for more than 20 years. The Greenhouse Gas Inventory chapter of the 1997 U.S. Climate Change Action Report (July 1997) stated: "Biomass fuel is used primarily by the industrial sector in the form of fuel wood and wood waste.... Although these fuels do emit CO<sub>2</sub>, their emissions do not increase total atmospheric CO<sub>2</sub> because the biomass resources are consumed on a sustainable basis. For example, fuel wood burned one year but regrown the next only recycles carbon, rather than creating a net increase in total atmospheric carbon." *Id.* at 9. More recently, EPA has continued to recognize the unique way in which use of biomass affects atmospheric CO<sub>2</sub> concentrations.<sup>4</sup>

Thus, generating electricity through combustion of biomass has a fundamentally different impact on the "air pollution" EPA would be addressing through new section 111(d) guidelines than does generating electricity through combustion of fossil fuel.<sup>5</sup> Again, EPA has recognized this fundamental difference in

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<sup>3</sup> For example, the Okeelanta Cogeneration Facility in Florida burns bagasse (the pulpy residue from processing sugar cane) and wood chips from land clearing and urban tree trimming activity, materials that otherwise would be landfilled or burned for disposal. Cooperative Extension Service, University of Florida, Institute of Food and Agricultural Sciences. "Co-firing with Wood and Sugarcane Waste." September 2007.

Sciences, "Co-firing with Wood and Sugarcane Waste," September 2007.

See, e.g., the Clean Power Plan, 80 Fed. Reg. 64,662, 64,885 (October 23, 2015) ("[U]se of waste-derived feedstocks and certain forest-derived industrial byproducts (such as those without alternative markets) are likely to have minimal or no net atmospheric contributions of biogenic CO<sub>2</sub> emissions, or even reduce such impacts, when compared with an alternate fate of disposal."); U.S. EPA, *Inventory of U.S. Greenhouse Gas Emissions and Sinks: 1990-2016* (2018), p. ES-13 n.15 and Table ES-1 note a (excluding emissions from wood biomass and biofuel consumption from energy sector total CO<sub>2</sub> emissions, addressing them instead as part of "net carbon fluxes from changes in biogenic carbon reservoirs" (which are strongly out of the atmosphere and into terrestrial carbon stocks)); Deferral for CO<sub>2</sub> Emissions From Bioenergy and Other Biogenic Sources Under the Prevention of Significant Deterioration (PSD) and Title V Programs; Final Rule, 76 Fed. Reg. 43,489, 43,396 (July 20, 2011) (discussing biogenic CO<sub>2</sub>'s "unique role and impact...in the carbon cycle.").

<sup>&</sup>lt;sup>5</sup> Unlike generating electricity with fossil fuel, which results in removal of geologically sequestered carbon and adding it to the atmosphere, generating electricity with biomass fuel does not contribute to the "air pollution" that EPA has identified as its purpose for regulating GHG emissions, namely, the net flow of carbon into the global atmosphere from terrestrial carbon stocks, resulting in an undesirable build-up of GHGs in the Earth's atmosphere. So

the past, both in the CPP provisions treating "qualified biomass" as having zero CO<sub>2</sub> emissions and in many other contexts, including its Inventories of U.S. Greenhouse Gas Emissions and Sinks, which have excluded biogenic CO<sub>2</sub> from reporting of total GHG emissions for the stated reason that burning biomass fuel recycles carbon, rather than creating a net increase in total atmospheric carbon. Many other countries and international bodies have recognized this as well.

Even beyond this history related to GHG emissions in particular, there is ample precedent in prior EPA implementation of CAA § 111 for EPA to recognize this distinction between producing biogenic CO<sub>2</sub> emissions from burning biomass and producing CO<sub>2</sub> emissions from burning fossil fuel. When applying CAA § 111, EPA has excluded certain emissions or processes from NSPS where they do not contribute to the air pollution the NSPS is intended to reduce. Specifically, EPA has excluded from section 111 standards for a source category those activities that, although they fall within the source category, do not contribute to the air pollution the standards are intended to mitigate, or contribute to only a de minimis extent. For example, NSPS for tanks storing volatile organic liquid do not apply to storage tanks that, although they may emit organic chemicals that are volatile, are used to store organic chemicals that EPA has determined contribute negligibly to atmospheric formation of ground-level ozone (smog) through photochemical oxidation, the pollution that the limits on VOCs are intended to reduce. 40 CFR 60.110b (NSPS applies to tanks storing volatile organic liquids above specified vapor pressures) and 60.111b (definition of "volatile organic liquid" limited to those liquids that can emit compounds, defined in 40 CFR 51.100, with greater than negligible contribution to photochemical oxidation).

Finally, and perhaps most importantly, treating biomass-fired electricity generation differently is required by the Congressional directive in section 431 of the Consolidated Appropriations Act, 2018, which directs EPA, as well as the Departments of Agriculture and Energy, to develop policies that recognize the carbon neutrality of burning forest biomass for energy recovery and its value as a renewable energy source. And it implements EPA's April 23, 2018 policy statement on "EPA's Treatment of Biogenic Carbon Dioxide (CO<sub>2</sub>) Emissions from Stationary Sources that Use Forest Biomass for Energy Production." Rather than simply indicating that "states may refer to" that policy statement (83 Fed. Reg. at 44,766) and explaining that the policy statement "aligns with provisions in the Consolidated Appropriations Act, 2018" (*id.* at n. 35), in the final rule EPA must indicate that Section 431 of the Appropriations Act and EPA policy require EPA to treat CO<sub>2</sub> emissions from burning forest-derived biomass as carbon neutral.

long as biomass growth is exceeding the amount harvested, which it undeniably is in the United States, burning biomass for fuel as part of that carbon cycle is not contributing to the build-up of GHGs in the global atmosphere that EPA is attempting to address with CAA regulation.

# 2. The Proposed Rule Suggests Unnecessary or Inappropriate Limits on Use of Biomass as a Means of Reducing GHG Emissions from EGUs.

The Proposed Rule correctly indicates that use of forest-derived biomass can be an effective means for some EGUs to meet CO<sub>2</sub> emission limits in state Section 111(d) plans. But the Proposed Rule could be read to limit that conclusion to biomass from "managed forests" and to biomass that is "sourced responsibly, which can include ensuring that forest biomass is not sourced from lands converted to nonforest uses." 83 Fed. Reg. at 44,766. AF&PA and AWC do not believe there is a common understanding of the term "managed forests," and it is unclear how that term would apply to the wide variety of forested lands from which woody biomass may be harvested, ranging from small family-owned forested properties to remote expanses in uninhabited areas, from high, arid locations to lowlands. Imposing a criterion that woody biomass used to comply with state Section 111(d) plans could not come from "lands converted to non-forest uses" could have the nonsensical effect of discarding potential biomass fuel that is generated, for example, when a property owner chooses to develop his land into commercial or residential property.<sup>6</sup> Additionally, this concept of "biomass feedstocks [that] are sourced responsibly" is not relevant to manufacturing residuals which, as explained below, will be generated integral and incidental to the manufacturing of pulp and paper and wood products regardless of whether they are subsequently used for fuel or disposed of and which can provide significant GHG reduction benefits when used for energy instead of the alternative fate of disposal.

Imposing additional requirements that forest biomass come from "managed forests" or be "sourced responsibly" is contrary to the Congressional directive to EPA in Section 431 of the Consolidated Appropriations Act, 2018. Congress directed EPA to "establish clear and simple policies . . . that reflect the carbon-neutrality of forest bioenergy and recognize biomass as a renewable energy resource." The sole exception Congress provided to biomass carbon neutrality is if "the use of forest biomass for energy production" were to "*cause* the conversion of forests to nonforest use." (Emphasis added.) This mandate does not allow EPA to limit the biomass that will be considered carbon-neutral when used to comply with state Section 111(d) plan emission limits to biomass "from managed forests" or that is "sourced responsibly." Nor can EPA limit biomass used to comply with EGU emission limits to biomass that "is not sourced from lands converted to non-forest uses," unless the use of biomass as fuel is what is *causing* that conversion – a situation which is unlikely to occur for a particular forested parcel and which Forest

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<sup>&</sup>lt;sup>6</sup> It also is nonsensical to imply that the potential to use forest biomass as a carbon neutral renewable fuel would be the reason for forest landowners to convert their property to some use other than growing forest biomass.

Service data confirm has not been occurring on a national basis.<sup>7</sup> To the extent that the April 23, 2018 policy statement can be read to limit EPA's treatment of emissions from using forest biomass as fuel as carbon-neutral to biomass that comes only from certain types of forests, that limitation is inconsistent with Section 431 of the Consolidated Appropriations Act, 2018, and that statement would not justify imposing such limitations in the new Section 111(d) guidelines for GHG emissions from existing EGUs.<sup>8</sup>

But even aside from the clear Congressional directive, limiting the biomass that could be used as a compliance option to some ill-defined subset of forest-derived biomass is an unjustified departure from the widely accepted principle that CO<sub>2</sub> emissions from combustion of forest biomass does not add to the excessive buildup of GHGs in the global atmosphere, as described above. In the United States, unless burning biomass as fuel is causing conversion of forested land to nonforested land, it will not result in any significant addition of CO<sub>2</sub> to the global atmosphere and may actually reduce the concentration of CO<sub>2</sub> in the global atmosphere. It is clear that in the United States forest carbon stocks are growing, and demand for forest-derived biomass for use as fuel (or for use as a raw material for manufacturing processes which produce residuals that can be used as fuel) creates incentives for increasing forest yield rather than incentives for eliminating forests. There is no basis for and no need for imposing a limit on the source of forest-derived biomass that may be used as a compliance option to meet GHG emission limits for coal-fired EGUs.

<sup>&</sup>lt;sup>7</sup> Data from USDA's Forest Inventory and Analysis (FIA) program show that U.S. forest carbon stocks are not just stable but are increasing, with growth exceeding losses by almost two to one. (USDA Forest Service FIA data for 2016 show that that forest carbon stocks in the U.S. are at a growth/harvest ratio of 1.9.) 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). 8 Note that the April 23, 2018 policy statement does not, in any event, support the apparent requirement in the Proposed Rule that biomass burned by EGUs as a compliance method not be "sourced from lands converted to non-forest uses." Footnote 1 of the policy statement explains that its objective is that "the use of biomass for energy *does not result in* the conversion of forested lands to non-forest use." (Emphasis added.)

<sup>&</sup>lt;sup>9</sup> EPA recognized this in its April 23, 2018 policy on the carbon neutrality of forest-derived biomass: "recent research shows that under current market and environmental conditions, continued forest land investment and management can allow for continued and even increased U.S. forest carbon stocks in the future. Specifically, landowners can anticipate future markets for woody materials and accordingly invest in forested lands."

## 3. EPA's Discussion of Biomass as a Compliance Option Should Give Special Attention to Manufacturing Residuals, Including Post-Use Wood Products.

The Proposed Rule's discussion of burning forest-derived biomass as a compliance option for meeting state plan GHG emission limitations seems to be focused on harvesting forest biomass for use as a fuel. But an important source of forest-derived biomass fuel could be the residuals generated in the manufacture of pulp and paper or wood products. In that case, the woody biomass is harvested to be used as a raw material in the manufacturing process, and that biomass would be harvested to meet societal needs for those products, regardless of any end-use for any biomass residuals as a fuel. See, for example, *Helping Hand Tools v. EPA*, 836 F.3d 999, 1001, 1004, 1012 (9th Cir. 2016), describing a 31 MW EGU designed to burn hundreds of thousands of tons of wastes produced by the manufacture of wood products, as well as urban wood wastes, which were already being generated before the EGU was built.

As explained in greater detail in AF&PA and AWC's comment on EPA's October 23, 2015 proposed Federal Plan Requirements for states that failed to implement the CPP, Docket ID No. EPA-HQ-OAR-2015-0199, which are incorporated herein by reference, because manufacturing residuals would typically have to be disposed of if not used for fuel, that particular biomass fuel has special benefit in terms of addressing excess concentrations of CO<sub>2</sub> in the global atmosphere. Those biomass residuals are integral and incidental to the manufacturing process and will be generated regardless of whether they are subsequently used for energy, and the use of biomass manufacturing residuals for energy avoids or reduces greenhouse gas emissions from their alternative fate of disposal, regardless of the state of forest carbon stocks.<sup>11</sup> EPA's prior analyses of biogenic CO<sub>2</sub> emissions have recognized this special characteristic of use of forest

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<sup>&</sup>lt;sup>10</sup> Forest products manufacturing residuals include spent pulping liquors (e.g., black liquor, red liquor); pulping by-products and substances (e.g., rectified methanol, red oil, black liquor soap); wood product process residuals (e.g., bark, sawdust, shavings, cutoffs, resinated wood residuals, sander dust, knots); pulping, paper, and recycling residuals (e.g., shives, non-recoverable trim and broke); off-specification materials; reinjection char; paper recycling residuals (e.g., non-recyclable fiber or old corrugated container rejects); and wastewater treatment plant residuals from pulp, paper and wood product manufacturing.

<sup>&</sup>lt;sup>11</sup> In other words, an EGU that burns manufacturing residuals not only is recycling carbon removed from the atmosphere through photosynthesis, but it also is preventing emissions of GHGs (sometimes with much higher global warming potential than CO<sub>2</sub>) that would otherwise occur if the residuals were disposed of (e.g., landfilled, discharged to surface waters, or burned for disposal). See National Council for Air and Stream Improvement, Greenhouse Gas and Fossil Fuel Reduction Benefits of Using Biomass Manufacturing Residuals for Energy Production in Forest Products Facilities, Technical Bulletin No. 1016 (Rev. Aug. 2014) ("each year's use of manufacturing residuals, including black liquor, in the U.S. forest products industry avoids the eventual release of approximately 181 million tonnes of CO<sub>2</sub>e.").

products manufacturing residuals, finding that use of these materials will have a *de minimis* or, in some cases, a positive effect on the accumulation of excess levels of greenhouse gases in the atmosphere.<sup>12</sup> The preamble to the CPP, for example, stated that "EPA generally acknowledges the CO<sub>2</sub> and climate policy benefits of waste-derived biogenic feedstocks and certain forest- and agriculture-derived industrial byproduct feedstocks, based on the conclusions supported by a variety of technical studies...." 80 Fed. Reg. at 64,886.

Many of the same considerations apply to post-use forest-derived products, such as used wood pallets, rail ties, crates, or construction and demolition debris. Not only has the carbon in such wastes been extracted from the atmosphere by photosynthesis and would simply be returned to the atmosphere if the wastes are used as fuel, but their use as fuel also avoids GHG emissions from their alternative fate, namely decomposing in a landfill or being burned for disposal rather than for energy recovery.

These special attributes of forest-derived biomass in the form of forest products manufacturing residuals, including post-use wood products, deserve a separate discussion in the final rule as a compliance option for EGU GHG limits. The final rule should indicate that an acceptable compliance option is burning residuals from the manufacture of pulp and paper and wood products, including post-use wood products.

# 4. EPA's Discussion of the Geographic Limits of Standards of Performance Is Not Inconsistent with Recognizing Use of Biomass-derived Fuel as a Means of Controlling GHG Emissions from EGUs.

In the Proposed Rule, EPA explains why, under its current interpretation of the CAA, the CPP exceeded EPA's authority to establish guidelines for state programs under CAA § 111(d). EPA now rejects the idea that Section 111(d) guidelines (and the NSPS to which they relate) can define BSER as something that essentially "redefines the source" (e.g., as a biomass-fired EGU rather than a coal-fired EGU) or that is based on, and in effect mandates, measures that cannot be applied at an individual source (as was the case for the state- or region-wide reduction in carbon intensity of the electricity generating system that was the basis for the CPP). EPA should also, however, state explicitly what was implicit in the Proposed Rule: In defining BSER as "emission reduction measures that can be applied to or at an

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<sup>&</sup>lt;sup>12</sup> See, e.g., Janet McCabe Nov. 19, 2014 Memorandum on Addressing Biogenic Carbon Dioxide Emissions from Stationary Sources (scientific data "supports the finding that use of waste-derived feedstocks and certain forest-derived industrial byproducts are likely to have minimal to no net atmospheric contributions of biogenic CO<sub>2</sub> emissions, or even reduce such impacts, when compared with an alternative fate of disposal"); U.S. EPA, Framework for Assessing Biogenic CO<sub>2</sub> Emissions from Stationary Sources (Nov. 2014), Appendix D (finding large greenhouse gas reduction benefits from energy production from forest products manufacturing residuals, such as spent pulping liquor).

individual stationary source," 83 Fed. Reg. at 44,752, "which constrains compliance options available...to within-the-fenceline measures," *id.* at 44,775, EPA in no way precludes consideration, in establishing Section 111(d) guidelines and in state Section 111(d) plans, of the differential environmental impact of burning alternative fuels, such as biomass. Nor is EPA restricting the measures that states may allow for a source to comply with an emission limitation that was derived based on emission reduction measures that can be applied to or at an individual stationary source.

As EPA notes (83 Fed. Reg. at 44,765 n. 33), biomass co-firing is something that occurs at the source, and the amount of biogenic CO<sub>2</sub> emissions associated with this compliance option can be monitored or calculated for the EGU. This compliance option therefore meets EPA's "within-the-fenceline measures" criterion. Additionally, as explained above, it is altogether proper for an emission standard to take into account the differential effect on the air pollution the standard is addressing that burning forest-derived biomass has versus burning fossil fuel. This environmental impact is a result of something done at the source (firing biomass along with or in lieu of coal), as opposed to the switch to alternative sources of electricity generation that was the basis for much of the CPP. Although this distinction between the BSER described in the CPP and the option for sources to meet state plan CO<sub>2</sub> limits through use of forest-derived biomass fuel described in the Proposed Rule is clear to AF&PA and AWC, we encourage EPA to make that distinction explicit in the final rule.

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In summary, AF&PA and AWC support the proposed Affordable Clean Energy rule, but believe certain changes are needed to describe more appropriately the potential role of forest-derived biomass fuel as a compliance option. If you have any questions about these comments, please contact Jerry Schwartz at (202) 463-2581 or at <a href="mailto:jerry\_schwartz@afandpa.org">jerry\_schwartz@afandpa.org</a>.

Sincerely,

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

Robert Glowinski President & CEO, American Wood Council