



## Carbon Neutrality

### Issue

The well-established principle that forest-based biomass fuels are carbon neutral is coming under increasing attack. Over the last couple of years, a steady stream of negative articles in national mainstream media have alleged that combusting biomass for energy (as is done in hardwood mills) is worse for the environment than burning coal.

### Background

The Administration has been pondering the carbon profile of biomass combustion for several years. In November 2014, EPA released its long awaited carbon accounting framework for biomass. This document proved to be long on hypothetical scenarios and short on definitive policy statements.

The Administration's Clean Power Plan (CPP) was finalized in the summer of 2015. There is considerable—largely favorable—discussion in the package about biomass and its potential to contribute to the underlying carbon reduction goals of the Obama Administration and EPA. However, nothing in the regulatory language is definitive with respect to whether biomass will ultimately be recognized as compliance pathway for states to use in helping their utilities comply with the mandate.

The CPP is now on hold due to court challenges, but should it survive the legal challenge, it could be implemented by the next administration.

In 2016, Congress has been actively exploring ways to legislatively declare the carbon neutrality of forest based biomass. Both the House and Senate are conferencing on versions of an energy bill which has passed both chambers. The Senate's version includes a provision directing EPA, USDA and other federal agencies to develop a policy that recognizes the carbon benefits of biomass and coordinate an implementation approach. On a separate track, there is language in both the Senate and House Interior Appropriations bills which prevents EPA from regulating carbon emissions from combustion of sustainable forest-based biomass energy. Language in the Senate Interior Appropriations bill is our preferred approach as it is written in a manner that is legally binding on EPA. We are working with our association partners in the biomass value chain to include this provision in any year-end spending deal that comes together between Thanksgiving and Christmas.

### Hardwood Federation Position

Either through the energy bill conference committee negotiations and/or through the appropriations process, the Hardwood Federation will be working hard this fall to enact a legislative directive to EPA that embraces our two primary policy principles outlined below.

1. The forest products and biomass value chain needs certainty on the carbon profile of biomass combustion. EPA can and must forge a clear, simple, realistic and consistent policy that recognizes the environmental and economic benefits of biomass energy.
2. EPA's approach to biomass energy cannot add more costs to biomass usage through unnecessary recordkeeping, monitoring, tracking and verification schemes.