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Submitted via E-mail

**Re: Comments of the Edison Electric Institute to the Science Advisory Board  
Biogenic Carbon Emissions Panel**

The Edison Electric Institute (EEI) appreciates this opportunity to provide input to the Biogenic CO<sub>2</sub> Emissions Panel (Panel), constituted by Environmental Protection Agency's (EPA or Agency) Science Advisory Board (SAB) to review the draft *Accounting Framework for Biogenic CO<sub>2</sub> Emissions from Stationary Sources* (Accounting Framework). EEI is the national association of shareholder-owned electric utilities in the United States. Our members represent about 70 percent of the U.S. electric power industry and serve 95 percent of the ultimate customers in the industry's investor-owned segment. EEI members own and operate electric generating units that combust biomass or co-fire with biomass. EEI members currently are engaged in projects, or are considering whether, to repower existing facilities to combust biomass or co-fire with biomass or to build new units that burn biomass. The goal of these biomass

projects is, in part, to reduce the greenhouse gas (GHG) emissions from using fossil fuels to produce electricity.

Biomass is part of the full portfolio of technologies and measures that electric utilities need to reduce GHG emissions, while continuing to provide reliable and affordable electricity in a manner that is consistent with a host of federal and state regulations. EEI supported EPA's *Deferral for CO<sub>2</sub> Emissions from Bioenergy Sources and Other Biogenic Sources Under the Prevention of Significant Deterioration (PSD) and Title V Programs*, 76 *Fed. Reg.* 43490 (July 20, 2011) (Deferral), which resulted in the Agency developing the draft Accounting Framework and the creation of the Panel to review it.

EEI supported the Deferral because it provided an opportunity to address the confusion created by recent EPA activity calling into question the GHG mitigation benefits of using biomass to generate electricity. As EPA has noted, substituting biomass for fossil fuels will reduce GHG emissions related to electricity generation. *See Technical Support Document for the Advance Notice of Proposed Rulemaking for Greenhouse Gases; Stationary Sources, Section VII*, Docket No. EPA-HQ-OAR-2008-0318, 17 (June 5, 2008). In comments supporting the Deferral, EEI noted that the carbon neutrality of biomass used to produce electricity and heat is a long-established policy convention in GHG accounting. EEI also noted that electric utilities that are subject to renewable energy standard requirements in 29 states and the District of Columbia rely upon biomass, to varying degrees, to meet their compliance obligations.

While created for the purposes of scientific review of EPA’s draft Accounting Framework, the Panel cannot divorce itself from the regulatory and commercial context in which this Accounting Framework may be used. If adopted, the draft Accounting Framework -- or any other approach ultimately adopted by the Administrator – would be used to determine whether certain stationary sources must undergo pre-construction permitting reviews required by the Clean Air Act (CAA) prevention of significant deterioration program that will establish GHG emissions limits based on the “best available control technology” (BACT). While the Panel has lamented that the draft Accounting Framework is not part of a larger national or international scheme to address GHG emissions, it cannot and should not import broader policy goals or objectives into a permitting program aimed regulating emissions from individual stationary sources.

The Panel’s review should be consistent with the inherently limited nature of the regulatory program for which EPA may use the draft Accounting Framework. To this end, the Panel’s review and any suggestions made to the Administrator should recognize that precision in accounting for GHG emissions related to biomass is unnecessary. The goal of the pre-construction permitting program is not to achieve any pre-determined reduction in national or global emissions – there is no cap that EPA is attempting to meet – but to ensure that stationary sources minimize emissions by using BACT. Similarly, there is no need to address the issues of leakage, causality or additionality. These are concepts that make sense in the context of a national or international emissions reductions program or in the creation of an offsets program, but are

completely beyond the scope of regulations addressing a limited subset of stationary sources.

Furthermore, as the point of regulation is the stationary source that will combust the biomass, and not the source of the biomass itself, it does not make sense to focus on factors that cannot be addressed by the stationary source seeking the permit. The Panel believes that EPA should ascribe all changes in GHG emissions, upstream and downstream, caused by the operation of a stationary source to that source. This approach would contravene the CAA, which focuses on the point of regulation and has never held stationary sources responsible for emissions from other sectors. A regulatory approach that attempted to hold stationary sources accountable for emissions other than those they directly emit would not withstand legal scrutiny, as it would be beyond EPA's CAA authority.

The Panel must also be conscious of the fact that increased complexity will result in a decrease in the use of biomass. Regulatory complexity increases costs. Given the current historically low prices of natural gas, which are expected to remain comparatively low well into the future, electric generators will opt to convert existing units to natural gas or build new natural gas units instead of exploring biomass options if permitting biomass units is too complicated and expensive. As the Panel concedes, some biomass sources compare favorably to fossil energy – including natural gas – in terms of GHG emissions. Unnecessary regulatory complexity will ensure that the possible GHG emissions benefits of these biomass sources will be lost.

The Panel is rightly concerned about daunting technical challenges in implementing the Accounting Framework. Most of these can be addressed by adopting an approach that recognizes the limited regulatory context within which EPA is working and by creating categorical exclusions for as many biomass sources as possible. The Panel's suggestion that EPA should consider developing a generic emissions accounting factor for each feedstock category would only add to the technical challenges of accounting for biogenic CO<sub>2</sub> emissions. Clearly, the Panel is not aware of the variety of biomass sources that electricity generators use to generate electricity. As of March 12, 2012, EEI members were using the following biogenic materials to generate electricity:

- Agricultural waste: agricultural byproducts (crops, straw, energy crops), biomass gases (digester gas, methane, other biomass gases), biomass solids (animal manure and waste, solid byproducts, other solid biomass not specified).
- Wood waste: wood/wood waste solids (paper pellets, railroad ties, utility poles, wood chips, other wood solids), wood waste liquids (red liquor, sludge wood, spent sulfite liquor, other wood related liquids).
- Landfill gas.
- Other waste: biomass liquids (ethanol, fish oil, liquid acetonitrile waste, medical waste, tall oil, waste alcohol, other biomass).

Energy Velocity database.

Creating separate accounting factors for each of these would take EPA much longer than the three years allotted for this exercise under the Deferral and would be unworkable. Instead, if the Panel cannot endorse a categorical exemption, the Panel should identify feedstocks that can be deemed carbon neutral a priori. Despite the variety of biogenic sources used by electricity generators, the vast majority use some form of wood waste.

Other commenters, including EEI member Virginia Electric and Power Co. (Dominion) and the National Association of Forest Owners (NAFO), have provided the Panel with justification to support a finding that all forest-related biomass should be deemed carbon neutral because U.S. forest stocks are stable or increasing. Consequently, forest biomass is a good first candidate for a carbon neutrality determination. The Panel should adopt the recommendations of Dominion and NAFO and then quickly move to identify other candidate feedstocks for similar treatment.

Thank you for this opportunity to provide input to the Panel. Please feel free to direct any questions to me (202-508-5223, [kobenshain@eei.org](mailto:kobenshain@eei.org)) or Emily Fisher (202-508-5616, [efisher@eei.org](mailto:efisher@eei.org)).

Sincerely,

A solid black rectangular redaction box covering the signature area.

Richard F. McMahon, Jr.

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